Shortlisted entries of the International Coffee Day Photo Competition 2018, including the winning image by Mr Alejandro José Pernía Paredes, from Mérida, Venezuela.

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Highlights from the year

WORLD COFFEE PRODUCTION IN COFFEE YEAR 2017/18

163.5 million bags

4.8% higher than last year.

In collaboration with the Sustainable Coffee Challenge, the ICO published the Guide to Access Green and Climate Funding for the Coffee Sector.

ICO’S KEY ACTIVITIES FOR 2018/19

- Implementation of Resolution 465 on coffee price levels
- Launch of first ICO Flagship Report focusing on economic sustainability.
World coffee consumption is estimated at 161.93 million bags in 2017/18, 1.8% higher than in 2016/17.

Closing the gender gap could unlock an increase in coffee production of 4 to 6.5 million 60-kg bags to meet future global demand.

Now in its fourth year, International Coffee Day 2018 celebrated the growing importance of women across the coffee value chain.

In coffee year 2017/18, the composite indicator price averaged 111.51 US cents/lb, 15.8% lower than the average of 132.43 US cents/lb in 2016/17.

This sustained downward trend in coffee prices has been a great concern to the ICO and the world coffee sector over the past year.
Our Mission

The International Coffee Organization (ICO) is a multilateral organization, which works through international cooperation to strengthen the global coffee sector and promote its sustainable development in economic, social and environmental terms.

We were set up in 1963 under the auspices of the United Nations, with responsibility for implementing the International Coffee Agreement (ICA) – an important instrument for development cooperation and trade. The latest Agreement, ICA 2007, entered into force in 2011.

Our Member Governments represent 98% of the world’s coffee production and over two-thirds of world consumption, providing a unique forum for the global coffee community. Our Members regularly discuss and decide the ICO’s guiding principles, strategy and work programme in line with the 2030 Sustainable Development Agenda.

Our Strategic Focus Is On:

Delivering world-class data, analysis and information to policy-makers and the industry

Providing a global forum for dialogue between and within the public and private sectors

Facilitating development projects and promotion programmes through public-private partnerships
Foreword by the Chair of Council

I was greatly honoured to serve as Chair of the International Coffee Council during coffee year 2017/18. We have yet again witnessed a year of challenges for the global coffee community and the operation of the International Coffee Organization (ICO), but throughout I have always believed in and championed the power of collaboration.

I come from a coffee tradition, which served to inspire me in my function as Chair. During my tenure I had the pleasure to chair the 121st Session of the International Coffee Council in Mexico City and the 122nd Session in London, providing not only a valuable forum for the international coffee community to come together to discuss and explore how to address the multiple challenges facing today’s sector, but also the great opportunities offered by producing, trading, processing and consuming coffee.

Eighty percent of the world’s coffee is produced by small-scale growers in Africa, Asia and Latin America and the major challenge overshadowing this coffee year has been the dramatic impact of low coffee prices, which do not allow many coffee growers to cover their production costs, thus compromising their economic sustainability and jeopardizing future availability from important origins. The recognition that the global coffee community needed to act was manifested in Resolution 465 on coffee price levels, approved during the Council’s 122nd Session, which gave the ICO a strong mandate to actively promote a dialogue and engage all stakeholders in the coffee value chain to find common solutions addressing the economic sustainability of the coffee producers. The ICO is already actively implementing this Resolution and I am confident that together we can overcome the many challenges involved and find long-lasting solutions.

The International Coffee Agreement (ICA) 2007 was established between coffee-producing and consuming countries to strengthen the global coffee sector and promote its sustainable expansion. As Members of the ICO we all have a duty to ensure the Agreement is fulfilled and must support the ICO in its role as administrator of the Agreement, not only for the consumers across the world, but most importantly for the 120 million people whose livelihood depends on coffee. It was with regret, therefore, that Members received notification this year of the decision of the United States of America to withdraw from the ICA 2007. I firmly believe that we need to work together and mobilize our resources in order to ensure a sustainable global coffee sector. This is why I was proud to lead a high-level delegation to Washington in June calling on the United States Government to reconsider its decision, and look forward to welcoming back our American friends to the global coffee family as soon as possible.

We live in a rapidly changing world, and the world of coffee is no exception. For this reason, the sector has to adapt, and that includes the ICO. I am heartened to see that the ICO has continued to innovate its work practices and open itself up to wider collaboration with global partners, to ensure it is an effective, efficient and relevant Organization responding to the needs of its Members and all stakeholders in the coffee value chain.

I would like to take this opportunity to thank my fellow Members of the ICO for their hard work and commitment over the coffee year, as well as thank the ICO Secretariat for their support and dedication to the work of the Organization.

Finally, I wish the incoming Chair, Ms Stefanie Künig of Switzerland, every success in the next coffee year. Through the power of collaboration, I am convinced the global coffee sector has a bright future.

H.E. Mr Aly Touré
Chair of the International Coffee Council 2017/18
Permanent Representative of the Government of Côte d’Ivoire to international organizations
Message from the Executive Director

It is a pleasure to present the Annual Review of the International Coffee Organization for 2017/18, a year of change for the ICO and for the global coffee sector.

In terms of the internal functioning of the Organization, our greatest challenge was to deal with the implications of the regrettable withdrawal of the United States of America from the 2007 International Coffee Agreement. The consequent reduction in income from contributions required a significant change in the Organization’s structure, especially in terms of staffing. Although the departure of many dedicated staff members was painful, the restructuring has been designed to minimize any adverse impact on the services that our Members expect from us. As we move forward in coffee year 2018/19, we will review the impact of such changes to ensure the ICO continues to fulfil its essential role in the world coffee sector.

Despite these testing times, important progress has been made to further improve the efficiency and effectiveness of the Organization. Members have approved a set of key performance indicators to provide objective measurements of the ICO’s progress in meeting the goals set out in our Five-year Action Plan (2017-21). Another innovation has been the introduction of an annual theme for the work of the Organization, in alignment with the Sustainable Development Goals of the United Nations. This initiative will enable us to sharpen the strategic focus and to better define the priorities of the Organization and their implementation, as well as to streamline resources to enable the ICO to meet its goals.

Our first annual theme was gender equality, on which we published two studies, and in September 2018 hosted a workshop on “Women in Coffee”, including a panel of high-level experts who explored ways to foster gender equality across the coffee value chain. A number of other public events on the same theme were also held, including as a focus of the International Coffee Day information campaign. The main conclusion to be drawn is that increased gender equality is not only a human right, but also makes good sense in economic terms and for the future sustainability of the coffee sector.

Listening and responding to calls by Members to have wider access to sources of financing for coffee development projects, we hosted a number of innovative events this year. These included a Consultative Forum exploring how digital technologies and new financing instruments can improve access to finance, as well as a Partnership Fair and a Donors Forum during which bilateral and multilateral development agencies, financial institutions and donors presented their priorities and opportunities for collaboration with Members. We are ready to assist Members to develop and seek funding for projects, and hope to see more concrete results in the near future.

As the ICO does not function in a vacuum, we must continue to establish partnerships with key non-governmental actors in the world coffee sector, in addition to Member governments, in order to achieve our goals. Building on the Memorandums of Understanding with the Global Coffee Platform and the African Fine Coffees Association, signed in 2016/17, this year we established new links with the Sustainable Coffee Challenge (under the auspices of the Conservation International Foundation), and the International Women’s Coffee Alliance. An important outcome from such collaboration has already manifested in the publication of the Guide to Accessing Green and Climate Funding: The Global Environment Facility (GEF), a joint initiative with the Sustainable Coffee Challenge; other measures are already underway to strengthen the global coffee sector.
sector. We have also taken great strides to establish and re-establish an active dialogue with our fellow international organizations, and had the honour to welcome Mr Kitack Lim, Secretary General of the International Maritime Organization, and Ms Luiza Carvalho from UN Women, to present at the Opening Ceremony of the 122nd Session of the International Coffee Council in September 2018.

Crucially, one cannot ignore the external environment in which the Organization and our Members work, and this year will be remembered as one of particular strain. Coffee prices have been systematically falling over the last two years and reached their lowest point in recent history during September 2018, the last month of the 2017/18 coffee year. The low prices received by growers call into question the economic sustainability of the world coffee sector and are a source of great unease to all ICO Members. This deep concern was expressed with the passage of Resolution 465 on “Coffee price levels”, which gives the Organization a strong mandate to take actions, such as: the promotion of effective exchanges between Members of national public policy initiatives to deal with low prices; the encouragement of exporting Members to adopt programmes to further raise their internal consumption of coffee; and the strengthening of ties with the private sector, especially the international roasting industry.

In response, the annual theme of the work of the ICO for 2018/19 will be the economic sustainability of the coffee sector, which will enable us to explore various possible approaches to a multifaceted and complex issue. As the only intergovernmental body dedicated to coffee with a global reach, the ICO is uniquely placed to lead this important dialogue in order to foster inclusive and sustainable growth.

The Secretariat and I are committed to ensuring that the Organization is nimble, innovative and relevant in these challenging times. Working closely with our Members and the wider coffee community, I am sure that together we can go far.

Finally, I would like to express my gratitude for the support received from delegates, staff members and all those who share my passion for coffee, not only as a source of sensory pleasure but also as a positive force in economic, social and environmental development.

José Sette
Executive Director
International Coffee Organization
International Coffee Council and associated meetings

The International Coffee Council is the ICO’s governing body. It meets twice a year to discuss wide-ranging issues with the aim of promoting a sustainable coffee sector.

121st Session: 7-12 April 2018 Mexico City, Mexico

The 121st Session of the International Coffee Council and associated meetings were presided over by the Chair of the Council, H.E. Mr Aly Touré of Côte d’Ivoire.

Council decisions included the approval of:

- A Memorandum of Understanding between the ICO and Sustainable Coffee Challenge, under the auspices of the Conservation International Foundation, with the objective to expand and enhance the coordination of public-private collaboration in the coffee sector towards a sustainable and healthy coffee community, at the same time as contributing to the Sustainable Development Goals.

- Resolution 462 calling on Member Governments to encourage the USA to continue to be a Member of the International Coffee Organization.

- Co-Funding a specialized study Economic and Policy Analysis for Improving Smallholder Coffee Producers’ Incomes.

- The establishment of a Coffee Sustainability Projects Trust Fund to mobilize funds to assist Members in the design, financing and monitoring of development projects.

- The introduction of an ICO Award for Coffee-Related Research to stimulate research on emerging issues in the global coffee sector while strengthening partnerships with universities and research institutions.

- The alignment of the Organization’s work programme to the Sustainable Development Goals, including an annual thematic focus.

- A bid by the Government of Kenya to host the 124th Session of the International Coffee Council and associated meetings in Nairobi in 2019

During the 121st Session of the Council, the ICO

- Hosted a Dissemination Workshop on Coffee Leaf Rust.

- Hosted a Dissemination Workshop on Coffee and Health.
122nd Session: 17–21 September 2018
London, United Kingdom

With the theme of “Women in Coffee”, the International Coffee Council and associated meetings were presided over by H.E. Mr Aly Touré of Côte d’Ivoire.

Council decisions included the approval of:

- A Memorandum of Understanding between the ICO and International Women’s Coffee Alliance to promote women empowerment and inclusion as a means of achieving sustainable development through social and economic progress in coffee-producing countries.

- Resolution 465 on Coffee Price Levels, to ensure the economic sustainability of coffee producers.

- A project proposal to support a sustainable coffee sector in Uganda.

- A monitoring framework for the implementation of Key Performance Indicators.

- The Programme of Activities for coffee year 2018/19.

- The composition of Committees and office holders for 2018/19, including the election of Ms Stefanie Küng (Switzerland) as Chair and Mr Deny Wachyudi Kurnia (Indonesia) as Vice-Chair.

Dates of future sessions:


“The time has come to realize that investing in gender equality is good business, not only for empowering women to realize their full potential and participate fully in sustainable development, but also to promote results that will benefit current and future generations of the world ...”

Ms Luiza Carvalho,
Regional Director, UN Women for the Americas and the Caribbean
Opening Ceremony: 122nd Session of the International Coffee Council
During the week of the 122nd Session of the Council, the ICO hosted a series of public-facing events including:

- A Thematic Workshop: Women in Coffee with a panel of high-level experts to explore ways of fostering gender equality in the coffee sector.
- The 8th Consultative Forum on Coffee Sector Finance focusing on harnessing technology and innovation for investments in the coffee sector and how digital technologies and new financing instruments could improve coffee growers’ access to finance.
- A Donors Forum to assist Members to learn and link with key donors, international organizations and other partners.
- A Partnership Fair to provide a platform for international cooperation agencies, donors and partners to share with delegates their programmes, tools, funding opportunities for the coffee sector and the procedures for application.
- An exhibition to showcase projects, products and services, share innovation, promote good practice and foster cooperation. Exhibitors included the Government of Burundi, Government of Nepal, United Nations Industrial Development Organization (UNIDO), Vietnam Coffee and Cocoa Association, as well as a stand dedicated to International Coffee Day.
- Launch receptions of the e-book ‘Women in Coffee in Brazil,’ supported by Embrapa – the Brazilian Agricultural Research Corporation – and spearheaded by the Brazilian Chapter of the International Women’s Coffee Alliance.

The ICO would like to thank the Government of Mexico for hosting the 121st Session of the International Coffee Council and associated meetings in Mexico City, and to the Governments of Burundi, Côte d’Ivoire and Nepal, Conservation International (CI), Girls Who Grind Coffee, National Coffee Association of the United States of America (NCA), Specialty Coffee Association (SCA), Tate Coffee, Vietnam Coffee and Cocoa Association (VICOFA), United Nations Industrial Development Organization (UNIDO) and the University of Hertfordshire, for sponsoring the exhibition and events held as part of the 122nd Session.

The ICO expresses its immense gratitude to the International Maritime Organization (IMO) and staff for providing the venue and invaluable support for the 122nd Session of the International Coffee Council in September 2018.

Excellent coffee served during this year’s Council Sessions was kindly provided by Honduras, Mexico, Nepal and Vietnam.
Resolution 465 Resolution 465 on Coffee Price Levels

A key focus for discussion at the 122nd Session was the impact of current low coffee prices on the livelihoods of coffee farmers, increasing food insecurity, reducing access to health and education and increasing the propensity to migrate or take other extreme measures such as turning to the cultivation of illicit crops.

The Executive Director emphasized the important role for the ICO as the voice of the entire world coffee sector and the need to convey this serious situation to the outside world, including consumers, the ever-growing roasting industry and the wider international community. This discussion led to the approval of Resolution 465 on coffee price levels, giving a mandate to the ICO to take action to ensure the economic sustainability of coffee producers, including the effective exchange between Member States of national public policy initiatives promoting economic sustainability and consumption, the encouragement of exporting Members to adopt programmes to further raise their internal consumption levels and the strengthening of ties with the international roasting industry as a matter of urgency.

The Resolution covers four main areas: advocacy and communication; mobilization of coffee stakeholders; research, knowledge-building and transparency; and the promotion of coffee consumption.

Resolution 465 gives the ICO the mandate to take action to ensure the economic sustainability of coffee producers.

1. ICC Resolution 465 on Coffee Price Levels, September 2018
A forum for dialogue

The International Coffee Organization is the only global forum on coffee matters, bringing together exporting and importing governments, while also working with the private sector. Through this convening power, we strive to drive change through exchanges of views on coffee matters, market conditions and trends, and to coordinate and implement policies to address the challenges and opportunities facing the global coffee community.
Coffee is the drink most consumed after water – 255kg per second or eight million tonnes per year.

Coffee Leaf Rust, an orange powdery fungus “Hemileia vasatrix” is one of the most common diseases affecting coffee production.

The digital revolution has a huge potential to transform the economy and the coffee sector.

Examples of financing instruments for the coffee sector projects:

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<th>Organization</th>
<th>Amount</th>
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<tr>
<td>STDF</td>
<td>US$410m</td>
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<tr>
<td>EU</td>
<td>9 billion euros</td>
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<tr>
<td>IFAD</td>
<td>US$294m</td>
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<tr>
<td>GEF</td>
<td>4.1 billion euros</td>
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Fostering gender equality in the coffee sector

During coffee year 2017/18, an annual theme was introduced to guide the work of the Organization, not only to improve the efficiency of ICO operations but also to position itself as an agenda-setting institution in the coffee and wider political arena, in alignment with the 2030 Agenda for Sustainable Development.

The first of its kind for the ICO, a Thematic Workshop on Women in Coffee kicked off a series of public and live-streaming events held during the week of the 122nd Session of the International Coffee Council in September 2018. Reflecting the chosen theme of the ICO for coffee year 2017/18 on Gender equality, the Workshop not only served as the launch pad for the ICO’s latest insight report ‘Gender equality in the coffee sector’2, but also brought together delegates from the public and private sectors, in addition to a panel of speakers from across the coffee value chain to explore the obstacles faced by women in the coffee sector and to identify possible solutions for empowerment and equality.

Panel speakers included a female entrepreneur and buyer of green coffee from Uganda, a representative from Nestlé Nespresso, two female co-founders of a small-scale roaster that sourced coffee exclusively from women farmers, and the Director of the Gender Team of the European Bank for Reconstruction and Development. A key conclusion of the Thematic Workshop – moderated by Ms Eileen Gordon from the European Coffee Federation and chaired by Ms Kellem Emanuele, President of the International Women’s Coffee Alliance – was that the global coffee sector is very diverse and complex. Hence, the level of empowerment, as well as the gender gap, varies greatly between countries and regions, and at different stages of the value chain. A consensus exists that there is a clear business case for gender equality, not only contributing to achieving UN Sustainable Development Goal (SDG) 5, but also wider economic benefits, such as improved welfare for rural communities, as well as higher productivity to help to meet the growing demand for coffee. However, more data is needed to develop targeted solutions ranging from gender policies and development programmes, non-discriminatory supply chain policies, to management and leadership training for women. Panellists also agreed that in order to support women, foster empowerment and gender equality, the public and private sectors need to work hand in hand, contributing to achieving SDG 5.

2. ICC-122-11 – Gender equality in the coffee sector. An insight report from the International Coffee Organization, September 2018
How digital technologies and new financing instruments can improve access to finance

Held once a year, the Consultative Forum on Coffee Sector Finance is one of the most significant world coffee events to facilitate discussion on topics related to finance and risk management in the sector, particularly the needs of small- and medium-scale producers and coffee communities. Sponsored by Conservation International (CI), the 8th Consultative Forum on Coffee Sector Finance in September 2018 focused on how digital technologies and new financing instruments could improve coffee growers’ access to finance. Chaired by Mr Kirill Matrenichev (Russian Federation), the Forum featured speakers who shared innovative approaches and technologies from across the public and private sectors, including from Stable, bext360, the Coffee Board of India, London Business School, UBS, Climate Bonds Initiative, Common Fund for Commodities and CI.

The first panel provided an opportunity to learn about new technologies and innovative approaches currently being implemented and leaving a mark across agricultural commodity sectors, such as blockchain applications and insurance schemes for smallholder farmers against price volatility. The panelists discussed the potential for adoption of these innovations in the coffee sector and identified the barriers that needed to be overcome to ensure financial inclusion. The second panel explored how impact investments, as well as climate and green bonds, could channel additional funds into the coffee sector, to support investments in the rehabilitation and renovation of ageing coffee trees as well as increase productivity and resilience to the impact of climate change. The experts also discussed how to ensure that additional funds could be channelled into the sector to reach and benefit marginal producers through smart finance instruments and structures.

The Forum reached three main conclusions:

1. **The rise of new technologies and the data revolution could have a significant and positive impact on producers via many channels, including improved access to finance.** The digital revolution has a huge potential to transform the economy and the coffee sector. However, if not managed properly, technological change also has the potential to increase inequalities. Steps must be taken to ensure that small and marginalized farmers, such as female producers, could benefit. Otherwise, technology could increase the divide between the digital have- and have-nots. The panelists stressed that there is a role for both the government and the private sectors to play to ensure financial inclusion.

2. **The financing requirements of the coffee sector could be partly met by new and innovative instruments.** Participants stressed that a blending of different finance instruments – for example, impact investment, green bonds and grant elements – could be particularly effective. The challenge is not necessarily the availability of funds, but the availability of bankable projects. A lot of thought therefore was going into designing structures and mechanisms that allows the matching of financiers with environmental and social impact objectives with projects supporting coffee growers and communities. The 2030 Agenda for Sustainable Development and the Sustainable Development Goals provides an excellent framework and a common language for investors and those designing projects to formulate impact objectives and track progress, unlocking finance opportunities.

3. **In order to pursue sustainable coffee production that is economically viable, the collaboration of all stakeholders in the sector, the governments, the industry, NGOs and donor institutions is necessary.** For example, governments could provide the right regulatory framework to facilitate adoption of new technologies, provide smart subsidies to increase uptake and ensure financial inclusion. Harnessing risk-sharing between private investors and multilateral development banks could increase the availability of finance for agricultural producers.

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3. [CF-16/18 - Summary report of the 8th Consultative Forum on Coffee Sector Finance]
Promoting funding opportunities

ICO Member countries and all coffee stakeholders face many challenges affecting their livelihood, sustainability and businesses, including price volatility, costs of inputs, gender inequality, pests and diseases and climate change. To address these challenges, the ICO assists Members in project identification, design, fundraising and monitoring and by linking public and private coffee stakeholders with international organizations, institutions, donors and the private sector.

During coffee year 2017/18 the ICO also hosted two innovative events opened up to the wider public – a Donors Forum and Partnership Fair – both of which were chaired by H.E. Mr Iván Romero-Martínez (Honduras) and helped to chart a path to further collaboration.

Donors Forum

Sponsored by the United Nations Industrial Development Organization (UNIDO), the objective of the Donors Forum was to expose Members to best practices and organizations supporting coffee sector development projects and their priorities and funding mechanisms. Presentations were given by high-level representatives from key bilateral and multilateral agencies and one regional trade finance institution, including: Standards and Trade Development Facility (STDF)/World Trade Organization (WTO), the European Commission (EC), Global Environment Facility (GEF), International Fund for Agricultural Development (IFAD), Italian Ministry of Foreign Affairs and International Cooperation, and the African Export-Import Bank.

The presentations made clear that there were numerous financing instruments already in place for the coffee sector, including development assistance across coffee-producing countries, particularly for smallholder farmers. STDF provided an overview of Official Development Assistance (ODA) benefitting the coffee sector: some 500 projects that had a reference to the coffee sector across 60 developing countries between 2006 and 2016, totalling US$410 million. As the world’s main development donor, for the period 2014–2020, the European Union is providing around 9 billion euros for agricultural rural development and nutrition projects, with 60 countries already selected for agricultural support and a number of projects covering specifically the coffee sector. IFAD is financing 15 projects with components on coffee value chain development in 13 countries, totalling US$730 million (IFAD contributes US$294 million). The GEF – established to leverage public and private sector funding in order to mitigate the effects of climate change and reduce environmental impact – with a current financing cycle (GEF-7) amounting to US$4.1 billion, now includes coffee in the list of commodities eligible for funding. The GEF representative praised the ICO for the timely preparation of its guide on GEF-7 funding, developed in conjunction with the Sustainable Coffee Challenge.6

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4. PJ-127/18 - Donors Forum: Project Development Funding Report
The Partnership Fair provided a further platform for international cooperation agencies, donors and partners to share with delegates their programmes, tools, and funding opportunities for the coffee sector and the procedures for partnership and application. Presentations were given by representatives from the following cooperation agencies and international organizations: International Trade Centre (ITC), United Nations Industrial Development Organization (UNIDO), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Standards and Trade Development Facility, Global Environment Facility, Japan International Cooperation Agency (JICA), United Nations Development Programme (UNDP), International Fund for Agriculture Development (IFAD), as well as Twin and Twin Trading. Examples of existing support provided to the coffee sector included:

- The ITC connecting companies from coffee-producing countries with buyers and roasters, and providing assistance for developing country coffee strategies, for example in East Africa, Indonesia and Nepal.

- The Coffee Sustainability Programme in Ethiopia (€4 million) implemented by the Department of Agribusiness of UNIDO – a public-private partnership funded by the Italian Government, illycaffè and the Ethiopian Coffee and Tea Authority, in addition to UNIDO’s work on promoting a circular economy in Madagascar, Peru and Vietnam.

- GIZ’s programmes for a sustainable supply chain, including cooperation with the private sector to promote access to finance in Uganda, and South-East Asia and a public-private partnership in Peru.

- JICA’s technical cooperation in Ethiopia, the Philippines, Rwanda and Thailand, along with support for private sector investment and financing in Vietnam.

- UNDP’s Green Commodities Programme using a multi-stakeholder approach, including the Coffee National Action Plan of Peru, which guarantees the development and sustainability of coffee by increasing levels of production and productivity.

- IFAD’s work to improve the livelihood of smallholder farmers and promote inclusive value chains in the coffee sector in Uganda.

- Twin’s promotion of market linkages between small-scale farmers across the entire value chain, providing technical assistance, in collaboration with producer organizations, for example on governance, gender, sustainable agriculture, quality, business management and market access. An example cited was the Export Capability Programme in Rwanda and Burundi.

Member delegations had the opportunity to deepen discussion on partnership for financing development projects during the Q&A session that complemented each presentation and also continued the dialogue with speakers bilaterally. To respond to demand for further assistance by Members following the publication of the Guide to Access GEF financing, the ICO will now produce a comprehensive guide on how to access the support provided by multilateral and bilateral funding institutions.

“Our sincere thanks to the ICO for this innovative approach and to all the speakers and their organizations for their commitment and for sharing with ICO Members the many opportunities to support the sustainable development of the coffee sector.”

Chair of the ICO Project Committee
H.E. Mr Iván Romero-Martínez (Honduras)
Sharing developments in coffee consumption and health

Coffee is the drink most consumed after water – 255kg per second or eight million tonnes per year, hence the drink is of immense interest, especially in terms of its potential effects on health. The ICO hosted a public Dissemination Workshop on Coffee and Health during the 121st Session of the International Coffee Council in Mexico City to share the latest developments relating to coffee consumption and health, with presentations from eminent speakers in the field: Dr Astrid Nehlig – Research Director at the French National Medical Research Institute, Professor Rui Daniel Prediger PhD – Department of Pharmacology, Federal University of Santa Catarina, Brazil, and Mr William ‘Bill’ Murray, President & CEO of the National Coffee Association of the USA.

Latest research confirms that coffee has numerous benefits to health, including improved mood and performance, increased vigilance, prevention of age-related cognitive decline (mainly in women), prevention of Parkinson’s disease and possibly Alzheimer’s disease, liver cancer and diseases, Type II diabetes, and protection of the cardiovascular system.

As the world of medicine constantly evolves, the challenge is how to communicate the positive effects of coffee to consumers and in so doing increase levels of coffee consumption.

Today, consumer values are driving changes in product choices, behaviour and attitudes. Consumers increasingly value ethical sourcing, sustainability, certification and products that support health, with changes seen most clearly when examining generational differences. If consumers knew the good news about coffee, they would increase consumption.

Concern was raised that a legal ruling from California, commonly referred to as Proposition 65, could result in warnings on coffee cups associating coffee with cancer. This was despite study after study proving no link between coffee and cancer.

The main conclusions of the Workshop were as follows:

- Communication on coffee and health needs to separate the clutter from the credible science, to be factually accurate, simple and straightforward
- Key messaging points should be developed and reinforced with examples from third-party experts
- A need for wider dissemination of information on coffee and health within the sector
- Support for more research studies and the best methods to communicate the findings to consumers in order to increase coffee consumption across the world
- A call for all parties across the coffee sector to come together to help everyone in the coffee supply chain to grow consumption.

8. PM-58/18 - Summary report of the Dissemination Workshop on Coffee and Health
Learning lessons on Coffee Leaf Rust

The ICO hosted a public Dissemination Workshop on Coffee Leaf Rust during the 121st Session of the International Coffee Council to share the outcomes and lessons learned in managing this devastating disease in selected Member countries. Keynote speaker Dr Charles Agwanda of CABI presented the results and lessons learnt from its Coffee Leaf Rust Management project – an ICO-sponsored initiative, financed by the Common Fund for Commodities and implemented by CABI in India and four African countries including Kenya, Rwanda, Uganda and Zimbabwe.

Coffee is an important source of foreign exchange earnings for all the five target countries, mainly grown by smallholders for whom coffee accounts for the substantial proportion of their livelihoods. Along with falling productivity and quality, Africa and India are the regions most affected by Coffee Leaf Rust, due to control agents – particularly expensive pesticides out of reach of the majority of smallholders – a lack of availability of Coffee Leaf Rust resistant varieties of coffee trees, and the added impact of climate change. The aim of this project therefore was to build the capacity of coffee stakeholders to share improved germplasm between participant countries, conduct demand-led research to generate alternative methods for controlling the disease in a sustainable way, and to deliver new technologies such as resistant planting materials and environmentally-friendly control measures.

Although most smallholder farmers were able to recognize the symptoms of Coffee Leaf Rust, many lacked the knowledge needed to manage the disease, particularly in Africa. This led to the creation of platforms to facilitate farmer-to-farmer learning. Other than India, none of the other countries undertake regular monitoring of the evolution of rust races. The evaluation of Coffee Leaf Rust race profiles in all countries was undertaken and an updated list of races compiled, including new races not previously recorded. The research capacity in the countries was increased and modernized, leading to trials with new and existing materials under a range of field conditions. In India, an innovative ‘Café Móvel’ telephone helpline service was introduced, providing direct support and real-time information to coffee farmers on the latest research, in addition to a complementary face-to-face extension programme, helping to boost yield and quality.

Through ‘Café Móvel’, growers not only receive advice and access to market data, auction prices and weather in their local language, but are also able to create discussion threads and invite feedback from other farmers and wider experts. This real-time access to pest management information is important to develop timely strategies to address the challenge of Coffee Leaf Rust. Using the model provided by ‘Plantwise’ – a global programme led by CABI to increase food security and improve rural livelihoods by reducing crop losses – CABI is now looking to introduce a similar initiative for coffee.

Dr Carlos Ariel Angel of the National Coffee Research Centre (CENICAFÉ) of Colombia, and Dr Alfredo Zamarippa of the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) of Mexico, also shared the experiences of their countries in tackling the disease. Members were encouraged to continue to share and learn from the experiences of other countries in limiting the impact of Coffee Leaf Rust, as the spread of the disease was far from over, with the added burden arising from new challenges caused by climate change.

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9. Centre for Agriculture and Bioscience International (CABI) is an international not-for-profit organization providing information and scientific expertise to solve problems in agriculture and the environment.
Coffee development projects

We work with government and the private sector to develop and implement strategies to enhance the capacity of local communities and smallholder farmers to benefit from coffee production, which can make a significant contribution to poverty alleviation. This work includes developing and seeking finance for projects to foster inclusive and sustainable growth.
Guide to Accessing Green and Climate Funding: The Global Environment Facility (GEF)

Developed in collaboration with the Sustainable Coffee Challenge, this year the ICO produced a new Guide to assist governments of coffee-producing countries to understand the opportunity and the mechanisms to access GEF funding in order to address coffee sector challenges.

The GEF, in its new four-year replenishment cycle GEF-7 with an allocation of US$4.1 billion, includes coffee in the list of commodities eligible for funding.

GEF-7 thereby provides an invaluable opportunity for countries to prioritize investments in development programmes, not only to enable sustainable coffee production, but also to have a positive impact on nature conservation, as well as on the livelihoods of coffee-producing communities.

During coffee year 2017/18, the ICO provided its technical expertise to assist the Government of Uganda to develop concrete steps to implement the Uganda Coffee Roadmap – which aims to increase the export value from its current level of US$544 million to US$2 billion.

The coffee sector in Uganda continues to be a major contributor to the national economy in terms of revenue and employment, with around 2.5 million people depending on coffee growing and trading for their livelihood. Moreover, Uganda has the largest number of small-scale coffee farmers in the world, totalling over 1.7 million with an average farm size of 0.25 hectare. Despite fluctuations in world prices and the government policy of diversification, coffee still remains the engine of the national economy.

During the last five years, the country exported annually 3.4 million bags of coffee, generating over US$417 million in export earnings. Similar to many developing countries, 84% of the total population of Uganda lives in rural areas, where poverty is widespread and concentrated among women and young people. This project aims to develop a more sustainable and inclusive coffee sector that will generate income for coffee-farming communities, including youth and women, reducing poverty among small-scale coffee farmers, while providing resources for the sustainable economic growth of the country.

The project includes the following components:

- Building a sustainable coffee production system through transfer of technology and capacity-building
- Climate change adaptation and environmentally responsible practices
- Green coffee quality improvement and value addition
- Market development for coffee farmers.

The Ugandan Coffee Roadmap... aims to increase the export value from its current level of US$544 million to US$2 billion

The initial total costs of the project, including grants and loans are estimated to be US$24 million over five years of implementation. The ICO and the Ugandan Coffee Development Authority are actively involved in fundraising, seeking relevant partners to complement resources committed by the Government of Uganda.
Promoting domestic consumption

Promoting domestic consumption of coffee in producing countries can not only help to strengthen production, but also assist in alleviating poverty and increase value addition.

**Latin America (Due for completion in 2019)**

The Regional Cooperative Programme for the Technological Development and Modernization of Coffee Cultivation (PROMECAFE) is approaching the end of a three-year project funded by the ‘Special Fund’ (see below) to promote and increase domestic consumption in Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua and Panama. The current average per capita domestic consumption is 1.23kg per year, with the aim to increase this by 30% by 2019. Using the funding received – US$458,566 – to date the project has included regional workshops, with the participation of Member countries, coffee experts and representatives of the coffee industry. The remaining cycle of the project is focusing on the development of regional promotional materials to showcase the links between coffee and health, and coffee and sports as potential ways of improving the domestic consumption strategy in each country.

**Africa (Ongoing project)**

The Interafrican Coffee Organization (IACO) has recently sought approval for use of the portion of the Special Fund designated for Africa to promote domestic consumption in the continent. Africa has a great potential for coffee consumption, but domestic consumption across the producing countries of the region, with the exception of Ethiopia, is limited. The significant levels of urbanization in the continent and a youth cohort comprising more than 70% of the population, represents a huge opportunity for entrepreneurship as well as a potential increase in consumption, which bodes well for the transformation of the African coffee value chain. IACO is developing partnerships with other African countries, and with the African Export-Import Bank – nominated by the African Union to be the lead agency for the Africa Free Trade area.

**Asia**

ICO Members from Asian coffee-producing nations are in discussion to reach a consensus on use of the Special Fund to promote domestic consumption in the region.

**Special Fund**

The Special Fund was established under the International Coffee Agreement 1976 and continued under the International Coffee Agreement 1983 to finance additional measures required to ensure that relevant provisions of the Agreements could be implemented, such as introducing the system of certificates of origin, expenditures involved in the verification of stocks as well as the costs of the improvements in the system for the collection and transmission of statistical information. The Fund was built up by a levy on each bag of coffee exported to importing Members, payable by exporting Members. As market control mechanisms were no longer in force in the subsequent International Coffee Agreements of 1994, 2001 and 2007, the use of the Special Fund was not required. The Fund was therefore liquidated to allow for distribution of the fund totalling US$1,376,233 as at 30 September 2016 among the three coffee-producing regions (Africa, Asia and Latin America) on projects focused in particular on the promotion of consumption.
Sustainable coffee production is becoming ever more important as the high-altitude areas where coffee is grown, such as in Colombia, are increasingly sensitive to the effects of climate change, as well as pest and diseases.

This collaboration brings together a British SME, Colombian SME, the ICO and the Colombia Coffee Growers’ Federation (FEDECAFE\(^{11}\)). This innovative project – estimated at £350,000 and funded mostly by Innovate UK\(^{12}\) – will develop the use of satellite data for mapping and monitoring changes in coffee plantations, as well as monitoring the condition of the crop in relation to pests and diseases, and deterioration due to climate change. The project will include testing the use of different types of data, with a focus on high resolution satellite data, in addition to the collection of UAV/drone data for localized detailed analysis. Recent developments in satellite data availability, linked to cloud-based processing, are potentially ground-breaking for the coffee sector, including online delivery of images and products directly into existing coffee crop information systems. Results are aimed at implementation within national systems, contributing to decision-making processes as well as improving the technical support services offered to growers.

This project also has an important gender and inclusion component, prioritising engagement with female smallholders. During farm visits, comprising exploration of coffee plantations with reference to recent satellite imagery and collection of GPS waypoints, female farmers in particular will be invited to assist as guides, whereby they will become involved in inspecting and interpreting satellite imagery in relation to features on the ground. The project team will seek to collaborate with female growers, through training in the use of satellite and remote sensing technologies to facilitate information gathering and strengthen adaptation to climate change.

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\(^{11}\) FEDECAFÉ represents over 500,000 coffee-growing families, providing technical assistance to address environmental, pest and disease challenges.

\(^{12}\) Innovate UK is a non-departmental public body operating at arm’s length from the UK Government’s Department for Business, Energy and Industrial Strategy.
Monitoring implementation of Sustainable Development Goals

How can coffee farmers, policy makers and coffee companies track the implementation of Sustainable Development Goals (SDGs)? The Delta Project is a collaborative initiative between the ICO, the Global Coffee Platform (GCP), the Better Cotton Initiative and the International Cotton Advisory Committee to develop a commonly agreed sustainability performance measurement and reporting framework. This framework will include a set of indicators that will help track compliance with SDG commitments across the public and private sectors. The data required to implement the measurement framework will be collected at farm level, including testing the use of innovative technology for data collection. The project aims to benefit multiple parties including:

- Farmers: better targeted services and information for decision and learning
- Governments: globally relevant metrics for aligned reporting, and evidence-based decision-making for agricultural policies and services
- Private sector: comparable SDG reporting, standardized sustainability information to customers and simplified data collection.

The Delta Project has a three-year life cycle and is funded by a CHF550,000 (£438,000) grant from the ISEAL Innovations Fund.

Coffee Sustainability Projects Trust Fund

To foster investment to ensure the economic, social and environmental sustainability of the coffee sector, particularly the challenges faced by smallholder farmers, in 2018 the ICO established the Coffee Sustainability Projects Trust Fund. Through this Fund the ICO's focus is to sensitize potential donors and mobilize adequate funds and resources to better assist Member countries in a number of key areas, including project identification and development, monitoring and evaluation of development projects in the coffee sector, identifying and disseminating good practice and capacity-building. The Trust Fund will play a pivotal role to finance the actions identified for the implementation of ICC Resolution 465 on Coffee Price Levels.

13. The ISEAL Innovations Fund seeks to support the best innovations that can help sustainability standards to deliver more value to different stakeholders and to be more effective at driving improvement over time and at scale.
Markets, statistics and economics

We stimulate market transparency through the collection, dissemination and publication of a wide range of high-quality statistics on the world coffee sector.
World coffee production in coffee year 2017/18 was 163.51 million bags, 4.8% higher than in 2016/17.

- **Colombian Milds**: 12.8% ↓ Price drop
- **Other Milds**: 15.9% ↓ Price drop
- **Brazilian Naturals**: 23.7% ↓ Price drop
- **Robusta**: 15.7% ↓ Price drop
World Coffee Market

The world coffee sector is important to the livelihoods of millions of people, particularly in developing countries, and in many of these countries production is on small-scale family farms. However, in coffee year 2017/18, the composite indicator averaged 111.51 US cents/lb, 15.8% lower than the average of 132.43 US cents/lb in 2016/17. This sustained downward trend in coffee prices has been a great concern to the ICO and the world coffee sector over the past year, given that coffee growers have received reduced remuneration for their coffee, accentuating their already precarious living conditions.

Growth in coffee production substantially increased supply in coffee year 2017/18, greatly contributing to the lower prices. Global output reached a record 163.51 million bags, 4.8% higher than in 2016/17. South America accounted for 47% of world production followed by Asia & Oceania at 29%, Central America & Mexico at 13% and Africa at 11%. Brazil, the world’s largest producer of coffee, increased its output by 5.6% to 57.4 million bags, which includes part of its crop for April 2018 to March 2019. Vietnam is the world’s second largest producer and largest grower of Robusta coffee. In 2017/18, its output rose 15.5% to 29.5 million bags. Adverse weather led to a decline of 4.3% to 14 million bags for Colombia’s production. Indonesia’s output declined by 7% to 10.36 million bags, while production in Honduras increased 3.3% to 7.7 million bags.

Coffee is a highly traded commodity, and the larger harvest in 2017/18 was reflected in increased shipments. Total coffee exports increased in each year since 2010/11 with a new record reached in 2017/18 at 121.86 million bags, 2% higher than 2016/17. In the twelve months ending September 2018, exports of green Arabica totalled 70.95 million bags, compared to 70.51 million bags in the previous year; whereas green Robusta exports amounted to 39.24 million bags, compared to 38.87 million bags. Total shipments of all forms of coffee increased in four out of the ten largest exporters for coffee year 2017/18, including the two largest, Brazil and Vietnam.

ICO INDICATOR PRICES

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<th></th>
<th>ICO</th>
<th>CM1</th>
<th>OM2</th>
<th>BN3</th>
<th>ROB4</th>
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<td>% change</td>
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<td>-12.8%</td>
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World coffee consumption is estimated at 161.93 million bags in coffee year 2017/18, 1.8% higher than in 2016/17. The fastest growing region was Asia & Oceania, where consumption in coffee year 2017/18 is estimated at 35.9 million bags, up 3.1% from last year. This is followed by North America, which grew 2.6% to 30.34 million bags in coffee year 2017/18. Both Africa and Mexico & Central America reversed the declines in coffee consumption during 2016/17 to grow by 1.7% to 11.08 million bags and 1.7% to 5.3 million bags in coffee year 2017/18, respectively. Europe is provisionally estimated to maintain its growth rate of 0.5% with consumption estimated at 52.32 million bags in 2017/18. After increasing by 3.5% in 2016/17, coffee consumption in South America is provisionally estimated to rise by 1.8% to 26.97 million bags. The five largest consuming markets that account for a cumulative total of 64.3% of global consumption are the European Union (26.4%), the USA (16.3%), Brazil (13.6%), Japan (5%) and Indonesia (2.9%).

In coffee year 2017/18, coffee production exceeded consumption by an estimated 1.59 million bags. This surplus contributed to the low prices last year. Additionally, record exports in coffee year 2017/18 put further pressure on prices as the market was well supplied at the start of 2017/18 even with growing consumption. Inventories at the end of September 2017, the month before the start of coffee year 2017/18, reached 25.8 million bags, which is the largest volume on record for September.

*For countries with crop years commencing April or June, their production has been allocated across two coffee years.*
Improving ICO statistics

To continue to ensure that the ICO provides high quality, reliable and consistent statistical information on the global coffee sector, the ICO Statistics Section has focused its activities on closer engagement with Members and the private sector. Key actions include:

- The introduction of training for statisticians from Member countries, in order to ensure compliance with statistical information requirements. This valuable face-to-face engagement with Members not only resulted in improved communication with the Secretariat, but notable improvements and thus higher quality data in the reports submitted by these Members.

- Research seeking views from Members and other users of statistical data on the relevance of the variables collected by the ICO. Feedback demonstrated that ICO data was a fundamental source of information, as well as identifying new variables for inclusion in the ICO’s statistical database.

“\textit{I had always been on the lookout for what works best in terms of statistical reporting. The hands-on training at the ICO provided an immediate solution.}”

\textbf{Mr Paul Okewa (Statistician, Kenya)}

- Technical analysis of the ICO statistical database to gain a better understanding of the characteristics and quality of ICO data, as well as the primary areas of concern. As a result, enhancements were made to the data management system in order to further increase the efficiency of the Secretariat’s work and the quality of services provided to Members.

- Sourcing data from third parties in cases where official statistics from Members were inconsistent or incomplete.

- Continuous improvement of the database of the quality of data and analytical methodologies.

- Amendments to the ICO Rules on Statistics: Certificates of Origin, in order to provide more flexibility to accommodate changing production patterns and technical upgrades in export reporting systems used by authorities.

Statistics Roundtable

The Statistics Roundtable, now in its fifth year, brings together the ICO with analysts from the coffee sector, in order to share supply and demand data from a global perspective. During coffee year 2017/18, the Statistics Roundtable met four times to review data from producing countries covering over 95% of global coffee production, as well as data on coffee supply and consumption.

“I had always been on the lookout for what works best in terms of statistical reporting. The hands-on training at the ICO provided an immediate solution.”

\textbf{Mr Paul Okewa (Statistician, Kenya)}

“\textit{Congratulations to the ICO for the huge progress made in improving the quality of supply/demand data [which is now] close to becoming a highly credible international benchmark for coffee sector statistics.}”

\textbf{Mr Euan Mann (Complete Commodity Solutions and Chair of the Statistics Roundtable)}
COUNTRY COFFEE PROFILE

In addition to providing statistics on the global coffee market, the International Coffee Organization conducts detailed analysis of the sector. Country coffee profiles are important in improving the visibility of individual countries in the world coffee economy and identifying main characteristics and current issues.

This year’s county coffee profile focused on Ghana, produced by the ICO in close collaboration with the Ghana Cocoa Board - a public institution covering coffee and also in charge of cocoa.

Ghana

Although coffee cultivation was introduced in the mid-eighteenth century, it represents a small sector with an average production below 1,000 metric tonnes per year, compared to over 900,000 tonnes for cocoa. Robusta coffee is the type of coffee grown in the country, with a growing season that runs from October to September. Coffee production covers 17,000 hectares and the average yield was 300kg per hectare for smallholder farmers and over 1.5 tonnes per hectare for large farms. As the sector is the main source of income for over 8,000 households of small-scale farmers from six regions of the country, the Government approved in 2014 a Coffee Rehabilitation Programme that included research, extension services and high yield varieties to increase national production to 100,000 tonnes over 10 years.

This project provides technical and financial support to over 4,500 small-scale farmers of which 22% are women. Coffee farming is a profitable activity for small-scale farmers – with main destinations of exports to Togo (57% of total exports), Italy (28%), India (7%) and Belgium (5%). With the undergoing revitalization of the sector, based on strong support from the Ghanaian Government, the share of coffee in GDP and in total exports, is expected to increase in the near future, as well as domestic coffee consumption.

The ICO is working with other African Members to develop Country Coffee Profiles for publication in coffee year 2018/19.
Gender equality in the coffee sector

To support this year’s thematic focus on gender equality, the ICO published an insight report ‘Gender equality in the coffee sector’\textsuperscript{15}. Previewed at the ICO’s Thematic Workshop on Women in Coffee in September 2018 and officially launched on International Coffee Day, this report discusses how gender-sensitive and evidence-based public policies, services and programmes, as well as sustainable supply chain policies, can reach, benefit and empower women.

While the focus of this research is at the farm level, women contribute to the coffee sector at all levels of the global coffee value chain from farm to cup. Between 20\% and 30\% of coffee farms are female-operated and up to 70\% of labour in coffee production is provided by women, depending on the region. However, the empirical evidence presented in this report shows that compared to men, female farm operators often have less access to land, inputs, finance and knowledge.

Within rural households, women often have limited say in decision making, are constrained in their access to public services, such as training and extension programmes, and lack control over income derived from agricultural production as well as investment decisions. This differential in access to resources and empowerment translates into a gender gap in agronomic and economic outcomes, such as yields, revenues from crop sales and household welfare\textsuperscript{16}.

The report also explores public policy responses and private initiatives for women’s empowerment and gender equality, with case studies from Nespresso, Technoserve, UN Women Colombia, Marks and Spencer, Taylors of Harrogate and Twin. Both the public and private sector can contribute significantly to achieving Sustainable Development Goal (SDG) 5 on Gender equality, while supporting other objectives, such as reducing poverty in all its forms everywhere (SDG 1) and ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture (SDG 2).
The existence of complementarities of interventions also provides a strong case for public-private partnerships (SDG 17) in order to address existing constraints faced by women in coffee. Availability of baseline data to assess gender equality and empowerment remains a serious limitation for research and development of evidence-based policy recommendations. Hence, more efforts are needed to improve systematic data collection.

Through publication of this insight report the ICO aims to support Members, policy makers, development institutions and wider coffee sector stakeholders to understand the gender gap in coffee and its determinants, set out what action can be taken by the public and private sectors, and define the steps the ICO is taking to actively promote gender equality in the coffee sector.

ICO action to promote gender equality:

- Disseminating findings of this report to stimulate discussion and continue to provide the forum for exchanges of views on coffee sector development and advocacy for gender equality for the public and private sectors.
- Recognizing gender as a cross-cutting theme and including the gender dimension in future research on annual themes, as well as in other analytical work.
- Extending the gender analysis beyond the farm levels so as to cover the whole coffee value chain, including trading, roasting, retail and consumer levels.
- Harnessing public-private partnerships to collect data and measure progress towards achieving the SDG of gender equality.
- Gender Mainstreaming\(^\text{17}\) by ensuring that all development projects and initiatives supported by the ICO aim to address and provide solutions to reduce the gender gap in the coffee sector.

Development of coffee trade flows

This year the ICO conducted a study on the development of coffee trade flows\(^\text{18}\) comparing the periods 1992-1996 and 2012-2016. The study focused on tracking the evolution of imports and exports by volume and market; analysing changes in the share of Arabica and Robusta in total exports, and; assessing the role of processed coffee in overall traded volumes.

The main findings of the study showed that during a 20-year period, coffee production increased by 61% and domestic consumption in producing countries doubled. With 72% of green coffee production exported and an average growth of 57% in total exports, coffee remains a primary commodity. The exporting side of the market experienced a trend towards higher concentration at the country level, while the importing side diversified with 22 countries gaining ground as important trading partners. Arabica remained the dominant coffee variety in the global trade, comprising two thirds of total exports. However, Robusta exports grew faster over the past 20 years. In terms of coffee by form, 91% of exports continued to be in green form but the share of processed coffee exported increased, opening further growth opportunities in the soluble segment. The study also provided an innovative visualization of the global coffee trade flows from exporting countries to importing countries in the last 20 years by plotting the data using Sankey diagrams, in which the width of the arrows showed the magnitude of the flow.

\(^{17}\) ‘Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making women’s as well as men’s concerns and experiences an integral dimension in the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.’ ECOSOC 1997/2.

\(^{18}\) ICC-121-4. Development of Coffee Trade Flows, March 2018
Emerging coffee markets: South and East Asia

This year the ICO conducted a study on the development of coffee consumption in the South and East Asia region, examining markets in China, India, Indonesia, Philippines, the Republic of Korea, Taiwan and Vietnam. India, Indonesia, the Philippines and Vietnam represent 95% of the coffee produced by ICO Members in South and East Asia, and are becoming increasingly important coffee consumers. China, the Republic of Korea and Taiwan (non-members) are mainly net importers of coffee. In total, 16.8 million bags of coffee were consumed in these seven markets over crop year 2016/17.

The main findings of the study show that coffee consumption has grown at an accelerated average annual rate of 6% in the last 25 years across all of these markets. In comparison, coffee consumption in the rest of the world has grown at an average annual rate of 2% in the same period, a rate that slowed to 1% in the aftermath of the global financial crisis of 2007-2008. As a result of the faster growth, the region increased its share in global coffee consumption from 5% to 12%. Furthermore, consumer preferences in South and East Asian emerging markets have also registered significant changes, favouring the consumption of fresh coffee in some markets where soluble has been traditionally consumed. This was the case for the Republic of Korea and Taiwan, where the peak of soluble consumption seems to have been reached, with fresh coffee consumption recording significant increases in the last five years.

The role of the coffee futures market in discovering prices for Latin American producers

This new publication provides an insight into the suitability of futures markets as a basis for decision making for coffee growers. The study is the result of a collaboration between the ICO and Georg-August University of Göttingen, in Germany. Combining ICO coffee market data and in-house research capabilities with analytical tools employed by university researchers, the objective of the study was to investigate the relationship between spot market and futures prices for coffee, and analyze the role of futures markets as a price discovery mechanism six coffee-producing countries in Latin America: Brazil, Colombia, Guatemala, Honduras, El Salvador and the Dominican Republic.

The econometric analysis of the price data confirms the existence of a stable long-run relationship between futures and producer prices. The analysis of the role of the futures market as a price discovery mechanism provided mixed results. In Brazil, Colombia, and the Dominican Republic, local producer prices appear to incorporate new information faster than the futures market. This can be attributed to factors such as the size of the market (Brazil, Colombia), the existence of a sufficiently liquid exchange in the country (Brazil), and strong domestic consumption (Brazil, Dominican Republic). In Guatemala and Honduras however, the New York futures market indeed dominates price discovery, informing production and marketing decisions of coffee producers.

19. ICC-122-6. Emerging coffee markets: South and East Asia, September 2018
20. ICC-122-5. The role of the coffee futures market in discovering prices for Latin American producers, August 2018
This study is one of a new series of innovative ICO technical papers aimed at an audience of sector specialists and researchers working in the area of applied economics of the coffee sector. To allow for replication by researchers, for example in national research institutions, the study also includes a detailed account of the methodology used.

Economic and Policy Analysis for Improving Smallholder Coffee Producers’ Incomes

In order to support a study on economic and political analysis for improving smallholder producers’ incomes, this year the ICO contributed £13,500 to part-fund this research and continue to provide ICO statistical data. This study is being led by Professor Jeffrey Sachs of Columbia University on behalf of the World Coffee Producers’ Forum.

In preparation of the 122nd Session of the International Coffee Council, the ICO Statistics and Economic teams developed an internal paper on the current cycle of low coffee prices analyzing the solutions implemented by the ICO to address previous coffee price crises and new innovative ideas. This paper is now being developed to set out the Organization’s work programme to implement Resolution 465 on Coffee Price Levels.

Promotion and Market Development

The Secretariat is committed to publishing periodic reports collating information on a number of aspects of coffee production to support Members to promote the quality of coffee and thus further strengthen market development. During this year, the ICO conducted research based on feedback from ICO Members and information received from China, to inform studies on National Quality Standards, and Maximum Residue Limits of pesticides applicable to coffee. In accordance with Article 27 of the International Coffee Agreement 2007, which sets out the requirement of Members to prohibit the sale and advertisement of products under the name of coffee if such products contain less than the equivalent of 95% green coffee as the basic raw material, the ICO also published a report on Members’ compliance with the provisions of this Article.

21. ICC Resolution 465 on Coffee Price Levels, September 2018
22. ICC-122-12, National Quality Standards, August 2018
23. ICC-122-10 Rev 1, Maximum Residue Limits, September 2018
24. ICC-122-7, Mixtures and substitutes, August 2018
Partnering for impact

To strengthen the global coffee sector and promote its sustainable expansion, the International Coffee Organization works actively with governments, non-governmental organizations and the private sector through international partnerships and advocacy.
This year we signed Memorandums of Understanding with the Sustainable Coffee Challenge and the International Women’s Coffee Alliance; strengthened our partnerships with the Global Coffee Platform and the African Fine Coffees Association; and continued to work more closely with international organizations.

Industry events in

11 countries
**ICO and the Sustainable Coffee Challenge**

To expand and enhance the coordination of public-private collaboration in the coffee sector towards a sustainable and healthy coffee community, this year the ICO signed a Memorandum of Understanding with the Sustainable Coffee Challenge (SCC), under the auspices of the Conservation International Foundation.

Together, both the ICO and SCC have pledged to improve the collection, exchange, integration and dissemination of key data on coffee sustainability to help actors across the sector to better understand the need for renovation and rehabilitation of coffee as well as to map spatial distribution of coffee production and forest cover in coffee-producing countries.

Since signing the MoU in April, the ICO and SCC have collaborated on the development of the ‘Guide to Access Green and Climate Funding for the Coffee Sector: The Global Environment Facility (GEF)’25. Published in August 2018, this Guide seeks to assist governments of coffee-producing countries to access GEF funding in order to address coffee sector challenges.

Ms Bambi Semroc, Vice-President of Sustainable Markets and Strategy at Conservation International said:

Such partnerships show a willingness of governments to work collaboratively to ensure our ability to meet the growing demand for coffee in a way that supports economic development among producers and conserves the unique tropical ecosystem in which coffee grows.

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ICO and the International Women’s Coffee Alliance

In September 2018, the ICO signed a Memorandum of Understanding (MoU) with the International Women’s Coffee Alliance (IWCA) with the aim to promote women empowerment and inclusion as a means of achieving sustainable development through social and economic progress in coffee-producing countries while protecting natural resources.

Ms Kellem Emanuele, President of the IWCA, said:

This year has been a tremendous step forward. More than global recognition of women in coffee, formal partnership with the ICO formally signifies our shared commitment to work collaboratively to achieve meaningful change, for all.
ICO and the Global Coffee Platform

This year saw a further strengthening of cooperation between the ICO and the Global Coffee Platform (GCP), in line with the Memorandum of Understanding signed in September 2017, including:

- Collaboration on the Delta Project: Bridging the Gap in Measuring Real-Time Sustainability Performance – a joint project also with the Better Cotton Initiative and the International Cotton Advisory Committee, to create a sustainability indicator framework to measure progress towards the Sustainable Development Goals, and trigger the development of value-adding services for farmers.


- ICO contribution to GCP Collective Action Networks to push for positive impact relating in particular to the economic viability of farming, climate smart agriculture, and gender and youth.

Further collaboration is already set in train including:

- An ICO/GCP-led webinar on 1 October 2018 – International Coffee Day – on ‘Gender: From Research to Commitment to Action’, including speakers from the International Women’s Coffee Alliance and the Partnership for Gender Equity, to highlight the gender gap in the coffee supply chain and explore how to effectively address these gaps through collaboration.

**ICO and the African Fine Coffees Association**

This year the ICO has continued to engage closely with the African Fine Coffees Association (AFCA) to implement the joint MOU, signed in September 2017, to promote technical and scientific cooperation with African coffee-producing countries.

This has included the preparation of a number of coffee profiles on African countries including:

- Ethiopia
- Kenya
- Rwanda
- Tanzania
- Uganda.

To meet with Members in African countries, but also non-Members from Africa, the ICO has actively participated in AFCA events, including the 16th African Fine Coffee Conference and Exhibition in February 2018. An ICO statistical workshop to train statisticians in African countries is also planned in 2019.

**Coffee Global Adaptation Plan (C-GAP)**

This year, the ICO has continued to play an active role as a member of the Coffee Global Adaptation Plan (C-GAP) taskforce, to develop a practical approach to ensuring the ability of coffee producers to adapt to the current and future threat of climate change. The C-GAP taskforce has developed an innovative strategy that would leverage leading science and big data analytics to prioritize and coordinate public and private sector finance, an innovative business model with the creation of a guarantee fund to significantly advance climate change adaptation across the coffee sector. To make this vision a reality, funding is now being sought from the coffee industry, international organizations and financing/donor institutions.
International Commodity Bodies’ Forum

In May 2018, the ICO hosted the first International Commodity Bodies’ Forum, attended by representatives from the:
- International Cocoa Organization
- International Grains Council
- International Sugar Organization
- International Rubber Study Group
- International Zinc and Lead Study Group
- International Nickel Study Group
- International Copper Study Group
- International Cotton Advisory Committee.

As an opportunity to learn from each other, the day’s discussion centred on strategic focus and priorities, administrative issues, communications and engagement and steps for further cooperation.

In certain respects, the ICO was further advanced than some commodity bodies, such as with the introduction of key performance indicators and revision of staff rules and regulations. However, there were also opportunities to learn from other ICBs, in particular the generation of income from sources other than Member contributions, such as through events, publications and statistics. Another Forum is scheduled in 2019, and work has already begun on a benchmarking exercise to identify areas for further collaboration.

Forum members were also invited to participate in a meeting dedicated to presentations organized by the Common Fund for Commodities (CFC), attended also by the:
- United Nations Conference on Trade and Development (UNCTAD)
- Simgas BV
- Aduna
- Toniic
- Generation 10
- Open Finance UK.

With a focus on new financial instruments, some of which were explored in the 8th Consultative Forum on Coffee Sector Finance in September 2018, this event was a productive and encouraging opportunity to build closer collaboration with partner organizations and explore new financing mechanisms.
Bilateral discussions with international organizations

This year the ICO has been actively building and rebuilding links with key development players to support the coffee sector, particularly on providing access to development funding.

Links have been re-established with a number of UN Organizations some of which participated in the ICO’s Donors Forum and Partnership Fair – the United National Development Programme (UNDP), International Trade Centre (ITC), United Nations Conference on Trade and Development (UNCTAD), United Nations Industrial Development Organization (UNIDO), Food and Agricultural Organization of the United Nations (FAO), the International Atomic Energy Agency (IAEA), the OPEC Fund (OFID), the United Nations Office on Drugs and Crime (UNODC) and a number of Development Finance Institutions – all with the clear purpose to advocate for the coffee sector and identify and support funding opportunities, including both grants and loans.

The ICO is mandated and committed to supporting its Members to develop projects, facilitate access to funding and act as the monitoring body for the successful execution of development projects.
Industry events

This year the ICO has participated in a number of key international sector events:

1. **Swiss Coffee Dinner: Geneva, Switzerland**
   October 2017

2. **Conference on climate change soil degradation: Bali, Indonesia**
   October 2017

3. **25th Encafé: Bahia, Brazil**
   November 2017

4. **Global Coffee Sustainability Conference: Geneva, Switzerland**
   November 2017

5. **1st Vietnam Coffee Day: Da Lat, Vietnam**
   December 2017

6. **India International Coffee Festival: Bengaluru, India**
   January 2018

7. **IACO General Assembly: Grand Bassam, Côte d’Ivoire**
   February 2018

8. **16th African Fine Coffees Conference and Exhibition: Kampala, Uganda**
   February 2018

9. **UNCTAD Global Commodities Forum: Geneva, Switzerland**
   April 2018

10. **National Convention of the Coffee and Cocoa Chamber of Peru: Lima, Peru**
    May 2018

11. **XXII Santos International Coffee Seminar: Guarujá, Brazil**
    May 2018

12. **Coffee Shop Expo: London, UK**
    June 2018
14 World of Coffee Europe: Amsterdam, Netherlands
June 2018

15 C-GAP Task Force (Member): Geneva, Switzerland
July 2018
Outreach

The International Coffee Organization provides an important central source of objective information on the global coffee sector. We also engage actively with international educational institutions to raise the profile of coffee-related issues within the academic community, help stimulate debate and facilitate youth-led solutions to development issues in coffee-producing countries.

Library & Information

The Library of the International Coffee Organization has a unique collection of resources on all aspects of coffee. This year visitors and users of the Library represented a varied demographic, including Professor Jonathan Morris from the University of Hertfordshire, who used the Library’s collection to inform his book ‘Coffee - A Global History’ published in October 2018.

Some of the research topics conducted by university students alone included the coffee value and supply chain, Robusta coffee, Indonesian coffee and its market, as well as the role of coffee in Angolan independence and civil war.

The Library collection is available for consultation by prior appointment: library@ico.org

The Organization offers its information services to the coffee industry, academics, the media and others, answering on average 2,000 queries a year, including interviews and content on coffee trends and challenges to all major specialized coffee magazines and the media at large across the globe.

The ICO also provides a subscription service to key publications.

Links with universities and schools

Raising the profile of coffee-related issues within the academic community is an important step in working jointly to create an understanding of the economics of coffee production, not only to ensure the ICO employs state of the art methods and produces high quality output, but also to provide solutions to improve the livelihoods of producers as well as to manage environmental challenges in coffee production.

This year ICO economists embarked on missions to visit leading universities, providing campus-wide talks on the economics of coffee as well as meeting students and faculty.
The ongoing relationships with Georg-August University of Göttingen in Germany and University of California Davis Coffee Center in the United States also provided opportunities to work jointly with leading academics and young scholars to produce insightful research studies.

The ICO Secretariat has also worked with graduate students and junior faculty on a wide array of topical research questions ranging from an assessment of the gender gap in coffee production in Ethiopia, to the role of futures markets as a price discovery mechanism for Latin American growers. The underlying empirical economic analysis relied on the wealth of statistical data collected by the ICO. In selecting research topics, the Organization was guided by requests from Members and sector stakeholders. The resulting output is often technical in nature and aimed at an audience of sector specialists and researchers working in the area of applied economics of the coffee sector. Disseminated within the research community, the studies contain a detailed account of the methodology used to allow for replication by economists, for example in national research institutions.

Further collaborative studies such as an in-depth analysis of profitability in three Latin American countries are ongoing and once published will contribute to reinforcing the ICO as the authoritative voice in policy relevant economic analysis.

During coffee year 2017/18 the ICO was also pleased to welcome students from the Summer School Module ‘Introduction to International Law’ at Queen Mary, University of London. It was a pleasure to explain the background to the ICO, including the International Coffee Agreements, current and future challenges facing the world coffee sector.
**ICO Internship Programme**

This year the ICO launched its new rolling Internship programme, which provides an insight into the day-to-day working environment of an international organization. ICO interns are given the opportunity to be part of the ICO team working on a number of topics, ranging from statistical and economic analysis, communication and advocacy, organization and management of meetings and events, research and preparation of reports, and the identification and formulation of development projects.

Interns also have the chance to be exposed to high-level Government and private sector representatives and international coffee experts, as well as to the work of committees or other governing bodies of the Organization.

Internships normally last between two and six months and may be further extended up to a maximum period of nine months. They can be carried out on a full- or part-time basis. Interns are selected on a competitive basis and will be based at the ICO Headquarters, in London. Applicants should be able to demonstrate an interest in development in the field of coffee. They must respect the principles of the ICO mission and mandate and be motivated by interest in interacting with people with different languages, national and cultural backgrounds – a key feature of an international organization, such as the ICO.

Expressions of interest in the ICO’s Internship programme can be submitted to: [internships@ico.org](mailto:internships@ico.org)

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**Connecting with industry and consumers**

To facilitate dialogue among all actors across the coffee value chain – not just producers and Governments – the ICO actively engages with the roasting sector and industry stakeholders, with direct links to consumers.

This year ICO Head of Operations, Mr Gerardo Patacconi, as a guest of the 1st Milano Coffee Festival in May, organized a workshop on Coffee and Sustainability, exploring the environmental, economic and social impact of the coffee value chain and proposed solutions.

ICO Executive Director, Mr José Sette, led a session on ‘How coffee shops can make coffee more sustainable’ at the Coffee Shop Innovation Expo, attended by over 3,000 delegates from across the industry.

The ICO has also taken the opportunity to forge closer alliances with coffee associations, including a presentation by the Head of Operations on how the ICO supports coffee sustainability to the British Coffee Association’s Sustainability Committee and participation by the Executive Director and Senior Economist in the Specialty Coffee Association’s World of Coffee Europe.

The Organization will continue to build on these activities in the coming year with the implementation of Resolution 465 on Coffee Price Levels which calls on the ICO to sensitize consumers to the economic reality of the coffee sector and promote consumption, as well as mobilizing leading roasters and industry stakeholders to identify solutions to address the level and volatility of coffee prices.

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**Meet the intern**

This year Ms Mayra Gomez from Honduras joined the ICO’s Internship Programme, conducting research in particular on national policies to alleviate the impact of low coffee prices on coffee-producing countries.

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26. ICC Resolution 465 on Coffee Price Levels, September 2018
INTERNATIONAL COFFEE DAY 2018

Now in its fourth year, International Coffee Day 2018 celebrated the growing importance of women across the coffee value chain.

In addition to celebrating women in coffee, the aim of the event was to call on both the public and private sectors to work together to promote the empowerment of women in order to achieve gender equality and to increase productivity, supply and sustainable consumption of coffee, particularly in a climate of low prices.

Central to the campaign was an animation video, already with over 5,000 views at the time of writing, with a focus on the positive contribution that women play across the coffee value chain, but also highlighting the gender productivity gap particularly at the farm level. Supported by research in the ICO’s Insight Report: Gender equality in the coffee sector,27, female–headed coffee producing households have lower yields than their male peers, due to a number of factors including less access than men to land ownership and quality land; full-time, managerial job opportunities; formal education and credit. Using animation, together with posters, postcards and infographics, the key messages were that gender inequality has no place in the global supply chain, and that closing the gender gap could unlock an increase in coffee production of 4 to 6.5 million 60-kg bags to meet increasing global demand. Such measures could also bring wider social and economic benefits including improved health and nutrition for the household, helping to eradicate poverty and increasing prosperity.

The profile of International Coffee Day (ICD) continues to gain momentum with Member Governments, coffee associations, coffee shops and consumers engaging more and more, either through pledging support or posting details of events using the hashtag #internationalcoffeeday across social media and the dedicated International Coffee Day website (www.internationalcoffeeday.org). The ICD website alone received details of over 100 events, large and small, taking place all over the world.

To further support the campaign, the International Coffee Day photo competition was held for the second year, with cash prizes for the winner and two runners-up. The 10 short-listed entries – chosen by a judging panel, delegates at the 122nd Session of the International Coffee Council and over 2,000 online voters – are featured on the cover of this Review.

The ICO is grateful to H.E. Ambassador Hermano Ribeiro for hosting a reception at the Brazilian Embassy in London on International Coffee Day in celebration of women in coffee. This event provided a platform, not only for the ICO to present its research on gender equality, but also for female coffee growers and producers in Brazil to set out the obstacles and opportunities that exist for women in today’s coffee sector.

The ICO also extends its sincere thanks to the All Japan Coffee Association (AJCA) for their continued support for International Coffee Day, without which the campaign would not be possible.

27. ICC-122-11 – Gender equality in the coffee sector: An insight report from the International Coffee Organization, September 2018
INTERNATIONAL COFFEE DAY PHOTO COMPETITION

Winner

First runner up

Second runner up
The work of the International Coffee Organization (ICO) is governed by the International Coffee Agreement (ICA) 2007. The objective of this 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.

Both exporting and importing countries can become a Contracting Party to the ICA 2007 by depositing an instrument of accession.

**Bolivarian Republic of Venezuela**

Over the course of coffee year 2017/18, the ICO had the pleasure to welcome the Bolivarian Republic of Venezuela as a new exporting Member of the ICO. This brings the membership of the ICO to 44 exporting Members and 6 importing Members.

**China**

China is a country witnessing a steep growth in coffee production and consumption, and will hopefully choose to become a Member country in the near future. During his mission to China this year, ICO Executive Director, Mr José Sette, met with Ms Zhao Jian, Vice Director of the Circulation Industry Promotion Center and her team at the Ministry of Commerce, to explore the procedures for China to accede to the International Coffee Agreement 2007 and thus become a Member of the ICO. The ICO understands that this proposal is now under consideration and will need approval at the top level of government.

**Jamaica**

The ICO has been informed that Jamaica is in the process of re-establishing its membership of the ICO and a submission has been made to the relevant Ministerial body to execute the necessary actions.

**Engaging with Members**

Listening and acting on the priorities, needs and concerns of Members is of paramount importance to the ICO. In coffee year 2017/18, the Executive Director and senior ICO staff were on mission in a number of Member countries, including Brazil, Costa Rica, El Salvador, Honduras, India, Indonesia, Kenya, Nicaragua, Panama, Peru, Uganda and Vietnam – providing valuable opportunities to strengthen cooperation in areas such as capacity-building, technical cooperation and policy development. The next page gives a snapshot of just some of the missions to Member countries undertaken by ICO Executive Director, Mr José Sette.
Members

Our Members represent the Governments of 98% of world coffee production and two-thirds of world consumption.
## Exporting Members - 44 (As at 30 September 2018)

- Angola
- Bolívia, Plurinational State of
- Brazil
- Burundi
- Cameroon
- Central African Republic
- Colombia
- Congo, Dem. Rep. of the
- Costa Rica
- Côte d’Ivoire
- Cuba
- Ecuador
- El Salvador
- Ethiopia
- Gabon
- Ghana
- Guatemala
- Honduras
- India
- Indonesia
- Kenya
- Liberia
- Madagascar
- Malawi
- Mexico
- Nepal
- Nicaragua
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Rwanda
- Sierra Leone
- Tanzania
- Thailand
- Timor-Leste
- Togo
- Uganda
- Venezuela, Bolivarian Rep. of
- Brazil
- Ethiopia
- Mexico
- Thailand
- Angola
- Bolivia
- El Salvador
- Madagascar
- Malawi
- Mexico
- Nepal
- Nicaragua
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Rwanda
- Sierra Leone
- Tanzania
- Thailand
- Timor-Leste
- Togo
- Uganda
- Venezuela, Bolivarian Rep. of

## Importing Members - 6 (As at 30 September 2018)

### European Union
- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom

### Rest of world
- Japan
- Norway
- Russian Federation
- Switzerland
- Tunisia
- United States of America
  (until 27 June 2018)
Finance & Administration

Governance and management
The Organization’s governance, through the International Coffee Council, is defined in the International Coffee Agreement 2007.

The Executive Director in coffee year 2017/18 was Mr José Sette. The Executive Director is supported by a Senior Management Team: Mr Gerardo Patacconi, Head of Operations (from January 2018) and Mr Sean Garden, Head of Finance and Administration.

To support effective governance and closer communication with Members, particularly in between meetings of the Council, this year saw the introduction of a Permanent Secretary from the ICO staff assigned to each Committee/Board.

Introducing a thematic focus
The ICO also introduced an annual theme to guide the work of the Organization, not only for internal purposes to streamline existing resources and achieve synergies between the Secretariat’s functions, but also externally to position the ICO as an agenda-setting organization in the coffee and wider political sector with a strategy in alignment with the 2030 Agenda for Sustainable Development and reporting cycle. The thematic focus for coffee year 2018/19 is Economic Sustainability.

Resources
ICO activities are financed by contributions from Member Governments based upon their average coffee exports or imports. The total budget amounted to £2,949,133 in 2017/18, with the financial statements of the Organization audited on an annual basis.

Monitoring the Programme of Activities through KPIs
The ICO’s annual programme of activities supports the implementation of the Five-Year Action Plan 2017-2021 which sets out the overall direction and to address the increasing challenges faced by the coffee sector.

The Secretariat tracks and reports on the progress of the annual Programmes of Activities and the results achieved in relation to the Five-Year Action Plan. This year a new reporting framework using a set of Key Performance Indicators (KPIs) was endorsed, to demonstrate and evaluate more clearly the ICO’s success in achieving its objectives and goals. The reporting in next year’s Annual Review will be based on these new KPIs.

Looking forward ...
The focus for our work programme for coffee year 2018/19 will be on the economic sustainability of the coffee sector, in particular the:

- Implementation of Resolution 465 on coffee price levels to address the impact of low coffee prices on smallholder farmers.
- Launch of the first ICO Flagship Report focusing on the economic sustainability of coffee production, providing in-depth analysis, information and recommendations.
Office holders 2017/18

International Coffee Council
Chair: H.E. Mr Aly Touré (Côte d’Ivoire)
Vice-Chair: Mr Michel De Knoop (European Union)
ICO Permanent Secretary of the Council: Mrs Sarah Friend, Secretariat and Communications Officer

Finance and Administration Committee
Chair: Ms Stefanie Küng (Switzerland)
Vice-Chair: Dr Emmanuel Iyamulemye Niyibigira (Uganda)
Exporting Members: Brazil, Colombia, India, Indonesia, Uganda and 6th Member vacant
Importing Members: European Union, Japan, Russian Federation, Switzerland and 5th Member vacant.
ICO Permanent Secretary of the Committee: Mr Sean Garden, Head of Finance and Administration

Projects Committee
Chair: H.E. Mr Iván Romero-Martínez (Honduras)
Vice-Chair: Ms Ina Grohmann (EU-Germany)
Exporting Members: Brazil, Colombia, Côte d’Ivoire, El Salvador, Honduras, India, Indonesia and 8th Member vacant
Importing Members: European Union, Switzerland and 3rd Member vacant.
ICO Permanent Secretary of the Committee: Dr Denis Seudieu, Chief Economist

Promotion and Market Development Committee
Chair: Mr Mitsuhiro Takayanagi (Japan)
Vice-Chair: H.E. Dr Durga Bahadur Subedi (Nepal)
Exporting Members: Brazil, Cameroon, Colombia, Costa Rica, Guatemala, India, Nepal and Togo
Importing Members: Japan, Switzerland and 3rd Member vacant.
ICO Permanent Secretary of the Committee: Mrs Sarah Friend, Secretariat and Communications Officer

Statistics Committee
Chair: Mr Juan Esteban Orduz (Colombia)
Vice-Chair: Ms Ina Grohmann (EU-Germany)
Exporting Members: Brazil, Colombia, Congo Dem. Rep. of, Ghana, India, Indonesia, Nicaragua and Panamá
Importing Members: European Union, Switzerland and 3rd Member vacant.
ICO Permanent Secretary of the Committee: Ms Rebecca Pandolph, Chief – Statistics Section

Private Sector Consultative Board (PSCB)
Chair: Mr Anil Kumar Bhandari (India Coffee Trust)
Vice-Chair: Mr Bill Murray (NCA)
Producer representatives
Colombian Milds:
Federación Nacional de Cafeteros de Colombia (FNC),
Sociedad Exportadora de Café de las Cooperativas de Caficultores (EXPOCAFÉ),
Asociación de Exportadores de Café de Colombia (ASOEXP),
African Fine Coffees Association (AFCA)
Other Milds:
Asociación Nacional del Café de Guatemala (Anacafé),
Asociación Nacional de Beneficiadores y Exportadores de Café de Panamá (ANBEC)
India Coffee Trust
Brazilian and Other Natural Arabicas:
Conselho dos Exportadores de Café do Brasil (CeCafé),
Associação Brasileira da Indústria de Café Solúvel (ABICS),
Associação Brasileira da Indústria de Café (ABIC),
Confederação da Agricultura e Pecuária do Brasil (CNA),
International Women's Coffee Alliance (IWCA)
Robustas:
Conseil du Café-Cacao (3C),
Indonesian Coffee Exporters Association (GAEKI),
Uganda Coffee Federation (UCF)

Consultative Forum on Coffee Sector Finance
Chair: Mr Kirill Matenichev (Russian Federation)
(also Chair of Core Group)
Vice-Chair: : H.E. Mr Aly Touré (Côte d’Ivoire)
Core Group on the Consultative Forum (2017/18 and 2018/19)
Exporting Members: Brazil, Cameroon, Colombia, Nepal, Nicaragua, Uganda
Importing Members: European Union, Russian Federation, Switzerland and one importing Member to be nominated in April 2018
Ex-officio Member: Executive Director
Assisted by: Chairman of PSCB, and four advisors: Ms Nancy Cheruiyot (FAST), Mr Silas Brasileiro (Conselho Nacional do Café, Brazil), Mr Nicolas Tamari (Sucafina SA) and Dr Ralph De Haas (European Bank for Reconstruction and Development.
ICO Permanent Secretary of the Consultative Forum and Core Group: Dr Christoph Sänger, Senior Economist

Virtual Screening Committee
Chair: Executive Director
Exporting Members: Brazil, Côte d’Ivoire, Guatemala and Indonesia
Importing Members: European Union.

Consumer representatives
All Japan Coffee Association (AJCA),
China Coffee Association
European Coffee Federation (ECF),
Institute for Scientific Information on Coffee (ISIC),
National Coffee Association of USA (NCA),
Russian Association of Tea and Coffee Producers (Rustecoffee),
Specialty Coffee Association
World Coffee Research
ICO Permanent Secretary of the PSCB: Dr Marcela Umaña, Economist
ORGANISATIONAL STRUCTURE

INTERNATIONAL COFFEE COUNCIL

Private Sector Consultative Board
Consultative Forum on Coffee Sector Finance
World Coffee Conference
Finance and Administration Committee
Projects Committee
Promotion and Market Development Committee
Statistics Committee