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**Statement by the Chair of
the International Coffee Council,
H.E. Mr Iman Pambago, made at the
opening ceremony of the 126th Session
of the Council**

Your Excellencies, Ambassadors of the ICO Member Countries
Mr José Sette, Executive Director of the International Coffee Organization
Distinguished delegates, ladies and gentlemen,

I have the honour of welcoming you all to the 126th Session of the International Coffee Council which, for the first time in the history of the ICO, will be held online.

In September last year, I had the honour to be elected as the 67th Chair of the International Coffee Council. I am grateful that Indonesia manages to again occupy this important position after 25 years.

Of course, I must begin by acknowledging the difficult times that we are currently living through. The very fact that we are holding a virtual meeting is dramatic evidence of the new reality that we are facing.

First and foremost, I hope that you and your families are healthy and coping well with the pandemic and all the precautionary measures taken to safeguard our lives.

I also wish to offer my deep condolences to anyone around the world, and to the coffee community in particular, who is suffering from Covid-19 or who has lost a loved one or a friend to the pandemic.

2020 will go down in history as the year that the Covid-19 pandemic hit the world. This week, we will discuss the challenges and opportunities facing the global coffee sector and, of course, we will address this new and unprecedented challenge.

The whole industry has experienced a harmful shock that impacts every level of the global coffee sector. And, although this is a global pandemic, we know that this crisis will most likely hit the poorest and most vulnerable the hardest.

Concerningly, Covid-19 presents yet another challenge to coffee farmers, already hit by low coffee prices in the past few years, the negative impacts of climate change and the rising costs on input. As ICO analysis clearly shows, the pandemic has increased the volatility of coffee prices, thus generating more instability and uncertainty in this sector. In particular, Coronavirus represents an unprecedented simultaneous supply-and-demand shock to the global coffee sector. It is certainly an enormous challenge to coffee growers, farmworkers and downstream value chain actors in coffee-producing countries, but also at the other end of the chain with the temporary closure of coffee shops and many outlets for out-of-home consumption in the majority of countries.

Furthermore, the adverse impacts of the pandemic on poverty and food security cannot and should not be overlooked. There are 25 million coffee producers, most of whom are smallholders in low- and middle-income countries who rely on this commodity for their livelihood. These are indeed daunting challenges, and the global coffee sector has never been in a dire need for international collaboration and cooperation more than now!

In Indonesia in the midst of Corona-19 pandemic, you can observe young, energetic baristas across the archipelago have no choice other than staying home as instructed by the authority, bringing their infant business to a halt without knowing when they will be allowed to reopen their business. There are thousands of them living in big and small cities, in urban and rural areas.

Up the value chain, this has affected the livelihood of Indonesia's coffee growers and farmworkers in an even more daunting way. After being hard-hit by persistently low price of coffee in the global market, our smallholders are now confronted by a catch-22 situation whether to stay making a living in this sector or change the gear to another sector which is in an equally desperate situation due to the Coronavirus.

It is clear that we are currently in a time of struggle. However, amid all the pain and uncertainty, it is important to acknowledge that with great challenges come opportunities for heroism, ... yes, I am talking about heroism! We have witnessed inspirational acts of human kindness, generosity, bravery and strength. We have all seen the images of exhausted frontline health workers fighting to save lives. We also saw footage of people around the world handing out free cups of coffee to medical workers, as an offer of thanks, support and encouragement. The gesture of handing a cup of coffee to a stranger said *'We know what you sacrifice for us, and we are grateful'*.

Although drinking coffee remains a daily ritual for many around the world, how will the small-scale coffee producers who were already struggling before the pandemic manage now? How can we support them? What can be done to help the entire industry to recover, reboot and revitalise? These are pertinent questions indeed, and we addressed several of them yesterday.

During the seminar on '*Covid-19: Impact on the world coffee sector and mitigation measures*', leading experts joined the ICO to address these poignant concerns. For those who attended yesterday's seminar, we thank you for your comments and valuable insights and we look forward to jointly putting into practice some of the fruitful recommendations that arose.

Effective solutions to mitigate the impact of Covid-19 on the coffee sector can only be realized if we continue to work together, public and private sector, exporting and importing countries, development partners and consumers, to think out of the box to effectively address the root causes of the persistent coffee price crisis. In coffee year 2018/19, prices were recording new lows, with negative impacts on many farming communities. In early 2020, higher and more volatile coffee prices seemed to indicate poor prospects for the coffee harvest in some producing countries. More recently, Covid-19 appears to be maintaining if not exacerbating these price fluctuations—especially for Arabica coffees—from both the supply and demand sides.

In recognition of the urgent need to address the coffee price crisis, ICO Members have initiated actions to reduce the negative impacts of volatile prices on coffee-producing countries and farmers.

As Members of the International Coffee Council, we came together to ratify Resolution 465 on coffee price levels. This declaration mandated the ICO to take immediate actions to engage all links of the coffee value chains and the international community to address the impact of low coffee prices on the livelihoods of coffee farmers and their families and on the long-term sustainability of the coffee sector.

In the last two years, the Secretariat has worked tirelessly to implement Resolution 465 and to identify solutions in a spirit of shared values and responsibility in line with the UN Sustainable Development Goals.

I welcome the fact that the industry and the international community have been mobilized for international cooperation in achieving a sustainable global coffee economy. This is one of the main objectives of the International Coffee Agreement 2007, further strengthened by the ICO's Five-Year Action Plan.

We are now at a crucial turning point and we need global cooperation, a sharing of knowledge and innovations, as well as joint, coordinated actions across both the public and private sectors.

In these difficult times, we shall build on the opportunities offered by the Coffee Public-Private Task Force that, as we requested in our last Council Session, the ICO has helped to establish, despite the restrictions due to the Covid-19. The Task Force is already actively engaging industry and country leaders to define a shared vision, while pursuing important short-term progress.

Another major development is the progress towards the revision of the 2007 International Coffee Agreement. The Working Group on the reform of the agreement has met six times since its inception, and all its members are deeply engaged in exploring proposals for change, with a view to make the ICO more efficient, stay relevant and better able to support the coffee sector in tackling the challenges it faces. During this Council's Session, we will hear a progress update from the Chair of the Working Group.

I want to take this opportunity to thank the Executive Director and his team for their hard work and dedication, especially at a time when the Organization itself is working in challenging circumstances with limited resources, both in terms of staff and funding. But the work continues... and for the Organization to act on Members' wishes to support a sustainable coffee sector, we all need to play our part, to converge, and to collaborate rather than stating the well-known views and positions.

I take my role as Chair extremely seriously and am fully committed to doing all I can to nurture a clear consensus in order to deliver concrete solutions to the challenges facing us. As then Prime Minister Winston Churchill told us decades ago, *"If you're going through hell, keep going."* So, Excellencies and distinguished delegates, I will keep going within my capacity and during my tenure to ensure the Organization delivers what it should deliver in time of such great challenges.

In this virtual room we all come together to represent the sources of coffee production and consumption across the world, including my own home country, Indonesia. We share the responsibility to make the coffee sector efficient and sustainable by pursuing a remunerative income for our farmers and prosperity for all stakeholders in the coffee value chains.

Indonesia is committed to ensuring that the goals of Resolution 465 are realised. Indonesia is one of the oldest Members of the International Coffee Organization, having been an original signatory of the very first International Coffee Agreement in 1962. Our country has been a supportive and engaged participant ever since. We had the honour of hosting a meeting of the ICO Executive Board in 1987 and my own former superior, Mr Paian Nainggolan, chaired the International Coffee Council in 1995-1996.

My country is not only one of the most important coffee producers in the world—we are a major consumer of coffee, too. Indonesia is the fourth largest coffee producer worldwide, producing between 9 and 11 million bags every year and is among the top-10 consuming countries globally. Hence, the prosperity of the Indonesian coffee sector is of great importance to global supply and demand. Most important for Indonesia is that we have a sustainable and internationally competitive coffee sector – and we can emulate this by promoting better collaboration and coordination between the public and private sectors throughout the world.

Your Excellencies, distinguished delegates, ladies and gentlemen, as a global coffee community, we have an extremely important responsibility to work together in a spirit of positive cooperation – now more than ever.

As Members of the ICO we all have a duty to ensure the fulfilment of the mandate of the International Coffee Agreement to foster the sustainable development of the coffee sector. We must support the ICO in its role of administrator of the Agreement, not only for the ever-increasing number of consumers across the world, but most importantly for the millions of people whose livelihoods directly depend on coffee.

In closing, I want to thank you all for the privilege of selecting me as Chair of the International Coffee Council and for your trust in me.

I look forward to a constructive Council of discussion and deliberation, and I want to encourage us all to be brave in the actions that we need to take now. The famous Indonesian author Pramoedya Ananta Toer once said—and I translate it in plain English—*“We only have one thing in our life, which is bravery. If we do not have it, what then is the value of our life?”*

Now is a time for bravery; we need to be brave to face challenges of this scale. Let’s be brave for each other, for this Organization and for the global coffee sector. Thank you.