



International Coffee Organization
Organización Internacional del Café
Organização Internacional do Café
Organisation Internationale du Café

PSCB 105/07

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**Report of the
Private Sector Consultative Board
on the meeting of 26 September 2007**

1. The Private Sector Consultative Board (PSCB), chaired by Mr Christian Rasch Topke of ANACAFÉ, met on 26 September 2007.

Item 1: Adoption of the Agenda

2. The PSCB adopted the draft Agenda contained in document PSCB-103/07 Rev. 2.

Item 2: Report on the meeting of 23 May 2007

3. The PSCB approved the Report on the meeting of 23 May 2007 contained in document PSCB-102/07.

Item 3: Chairman's Report

4. The Chairman noted that Mr C.P.R. Dubois, the Secretary to the Council, would retire at the end of October 2007 and he thanked him for his service over many years. The delegate of the European Coffee Federation (ECF) seconded the proposal both on behalf of his Federation and on behalf of the members of the PSCB; he gave Mr Dubois a CD as a token of their appreciation.

5. The Chairman reported that a document entitled 'A basic survey for monitoring trends in the demand for coffee – 2006/07' and an accompanying CD had been prepared by the All Japan Coffee Association and distributed to members of the PSCB. He expressed his thanks for this contribution.

6. The Chairman reported that interest in the work of the PSCB had been expressed to him by the private sectors in Russia and China and he hoped that the Board would be able to welcome them as members in due course.

7. The Chairman reminded members of the policy which had been agreed at the previous meeting concerning observers: non-members would be admitted as guests to the Board's meetings as long as they contributed something to the Board's activities, such as a presentation on a particular aspect of the coffee industry, and upon obtaining the prior written approval of the Chairman.

Item 4: ISO Standards

8. Dr. Petracco, the Chairman of the Technical Committee of the International Organization for Standardization (ISO), made a presentation on the work of the ISO in general and in relation to coffee in particular. He said that the ISO developed voluntary technical standards aimed at promoting efficiency, facilitating trade and disseminating new technologies. The ISO sub-committee dedicated to coffee had published 22 coffee standards to date and had three main issues under discussion at present: vocabulary, water content and defects. The ISO Standard 3509:2005 (Coffee and coffee products – vocabulary) did not cover any step after grinding but a new working group had been created to study the global situation and to propose redefinitions. Dr. Petracco analysed these definitions and examined the application of ISO 10470:2004 (Green coffee: defect reference chart) on coffee defects which it was hoped would lead to an enhancement of quality in the spirit of ICO Resolution 420. The main elements of this standard were the unification of descriptions, the establishment of weighing criteria and the subdivision of defects into five categories. He concluded that the coffee trade was a vital part of global trade and he appealed for increased participation by all members of the coffee sector.

9. The Chairman thanked Dr. Petracco for his contribution. The Board took note of this information.

Item 5: ICO network to promote coffee consumption

10. The consultant from P&A International Marketing gave an update on the implementation of the ICO network to promote coffee consumption, information about which was contained in document WP-SGP 17/07 and its Addendum. He demonstrated a number of the pages of the website which would go live shortly. The site was divided into three main communities: producing countries, emerging markets and traditional markets. Discussion would be guided in each area by mediators. The consultant analysed the results of a questionnaire relating to the development of the site which had highlighted key issues for each of the communities. A critical task would be the training of the mediators through trial

and development in courses and a training programme was being prepared using a virtual on-line approach. Restricted operation of the site was due to start in November. A copy of the consultant's presentation was distributed at the meeting.

11. The Board took note of this information.

Item 6: Coffee and health

12. The Programme Coordinator made a presentation on the Positively Coffee Programme. Three new topics had been covered in 2007: coffee and hydration, coffee and its components, and coffee and blood pressure. The website had been developed further and assistance had been given to the members through participation in key seminars, the production of Newsletter number 8 and website support. A website podcast had been produced on the site with the participation of a leading research neurologist, Dr. Astrid Nehlig of INSERM, on the subject of coffee and mental performance. The exhibition banner was also now available to be downloaded in English, French, Portuguese and Spanish, as well as in a high resolution CD. Website activity had more than doubled over the past year and an analysis was made of the most popular subjects in each of the four languages.

13. The Programme Manager gave a report on the Health Care Professions Coffee Education Programme (HCP-CEP). She noted that five of the original six participants were still actively engaged in the project: Finland, Italy, the Netherlands, Russia and the United Kingdom. It was likely that there would be three new participants: Spain, Portugal and, at a slightly later date, Germany. A comprehensive report on the existing programme entitled 'Communicating the current consensus' was available on CD and was distributed to members of the PSCB at the meeting. Further copies could be obtained from the Programme Manager. She also reported on the results of two recent surveys in Spain and Portugal concerning coffee and diet. This reached the surprising conclusion that 55% of doctors in Spain and 64% of doctors in Portugal admitted to advising patients to stop drinking coffee or to drink less coffee. It was the objective of the Programme to change this perception.

14. The Chairman thanked the Programme Manager for her contribution and the Board took note of this information.

Item 7: Food safety aspects

OTA

15. Dr. Euan Paul reported that the European Union had not yet published the document on OTA, but this was still expected before the end of 2007. He understood that no change in

the limits would be proposed, but this was a fluid situation: if rapid alerts were reported, this would re-open the discussion and stricter limits might be imposed on finished products, possibly also on green coffee. His message was that continuing vigilance was needed.

16. Dr. Paul said that the Codex was producing a code of conduct on OTA. He was concerned about the direction some of the discussions had taken: it had been reported that coffee could account for more than 50% of the intake of OTA in some African and Asian countries. This perception should be challenged. Another delegate reported that his association's view was that coffee accounted for circa 9% of total intake. It was pointed out that the Codex document was currently only a discussion document. The delegate from the NCA reported that the question of food safety was an extremely hot topic in Washington. He also reported that in California legislation was being proposed on acetol; although the intended object was popcorn, this was also an issue for coffee since acetol was produced during roasting, as was the case in the production of wine and beer.

Acrylamide

17. Dr. Paul reported that research was continuing, but at the same time it was acknowledged that nothing could be done about the level of acrylamide produced. He reminded the Board that shelf life reduced the level of acrylamide significantly and, conversely, that the use of chicory in coffee raised the level of acrylamide equally significantly.

Furan

18. Dr. Paul reported that very little was known about furan, other than that it was a volatile and variable substance which was more significant than acrylamide in its effects.

Pesticides

19. The delegate of the ECF drew the Board's attention to the draft list of maximum residue levels which was available on the European Union's website. He would be happy to provide the link if requested. The delegate from the Coffee Association of Canada reported that Canada was also now proceeding with legislation with a default level of zero. At the other end of the scale, Canada was also proceeding with discussions with the European Union in terms of a mandatory organic standard. He noted that nitrogen flushing would prevent a label being called 100% organic.

20. The Board took note of this information.

**Item 8: Implementation of the
Coffee Quality-Improvement Programme**

21. The Executive Director reported on the implementation of the Coffee Quality-Improvement Programme (CQP) for the period October 2006 to June 2007, information about which was contained in document EB-3936/07. He noted that Gabon was the 28th country to implement the CQP and that the volume of green coffee exported by the Members implementing the Resolution amounted to 46.6 million bags, of which nearly 41.7 million bags were classified within the Resolution's defects and moisture targets. The volume of coffee graded by LIFFE which failed to comply with the targets amounted to 958,667 bags which represented an increase of over 24% compared to the same period last year. Of this total, the majority was produced in Côte d'Ivoire and Vietnam. The delegate from Vietnam noted a conflict between voluntary and compulsory national coffee standards. The Executive Director stressed the voluntary character of Resolution 420, but noted that certain governments made compliance compulsory. The delegate from the Specialty Coffee Association of Europe (SCAE) said that he had brought with him a DVD on the subject of quality improvement and that he would show it at the end of the meeting to those who were interested.

22. The Board took note of this information.

Item 9: Future of the International Coffee Agreement (ICA) 2001

23. The Executive Director reported that the discussions of the Working Group on the Future of the Agreement in the course of the week had been constructive, the areas of disagreement had been narrowed considerably and he did not foresee any major problems. Members were continuing to work to produce a final document and the objective remained to conclude the discussions by the end of the week. One problem had emerged very recently: the use of the United Nations as Depositary. However, the UN would only agree to act for documents in the six official languages of the UN: Portuguese was not one of them. He stressed that it was not the intention to change the Organization's policy regarding its official languages, so this was a political problem. A number of avenues were being explored to use a different Depositary. He noted that the role of the PSCB continued to be seen as highly significant and no changes had been proposed since this subject was last discussed in May 2007. The Board took note of this information.

Item 10: International Coffee Genome Network (ICGN)

24. The Chairman of the Promotion Committee reported that there were no further developments since his last report.

Item 11: PSCB representatives and office holders

Item 11.1: PSCB representatives for 2007/08 and 2008/09

25. It was reported that the Council would designate representatives of the PSCB for 2007/08 and 2008/09 later in the week. Document WP-Council 159/07 contained details of nominations received to date. The delegate from the Eastern African Fine Coffees Association (EAFCA) said that the Kenyan Planters Cooperative Union Ltd. and the Ugandan Coffee Trade Federation would seek to be appointed as alternates and that nominations would be made through the appropriate channels. The delegate from the ECF reported that his Federation had formerly had three seats, but was currently seeking to reduce this to one; he stressed that this was not a negative move, but it was felt that one organization should have one voice and one seat. He asked the Board's indulgence since his members needed more time to consider. He would ask the Council to look at this issue at its next session. The delegate from the National Coffee Council (CNC) requested one seat for the Brazilian roasting industry and another for the soluble industry. Again, it was felt more appropriate to bring these proposals to the next Council session. The delegate from the National Coffee Association of the USA (NCA) said that the United States was considering a different form of membership of the PSCB, but would announce this at a later date. He was also aware that there were other interested parties who were keen to take up seats on the PSCB.

Item 11.2: Election of the Chairman for coffee year 2007/08

26. The delegate from the ECF proposed that Mr Christian Rasch should remain as Chairman for a further year, a proposal which was seconded by a number of other delegates. This was agreed unanimously. Ms Florence Rossillion will remain as Vice-Chairman.

Item 12: Recommendations to the Council

27. The Chairman confirmed that he would report fully on the deliberations of the Board to the Council at its meeting later in the week.

Item 13: Other business

28. The delegate from the Association of Indonesian Coffee Exporters (AEKI) drew the Board's attention to document WP-Board 1031/07 relating to a domestic consumption project in India, Mexico and Indonesia. A proposal for a domestic consumption project had originally been presented to the Common Fund for Commodities (CFC) but it had been rejected on the grounds that it constituted generic promotion. A new project had been drafted and presented by a consultant, but this too had been rejected by the CFC. This was a matter of great concern to Indonesia: AEKI had responsibility for carrying out work on the ground

and had formed a special division to focus on the issue. It was felt to be too important to let it die. He asked for the Board's help in going forward and he felt it had serious implications for the ICO's relationship with the CFC. He noted that this was also on the Agendas of the Promotion Committee and the Council.

29. The delegate from the CNC reminded the Board of its report to the PSCB in May concerning the Brazilian soluble coffee industry and the EU's tariff barriers. The Executive Director confirmed that he had written to the EU, but no reply had been received to date. The delegate from the CNC asked the Executive Director to use his good offices to ask for a meeting with the EU.

30. The delegate from the ECF noted that the 4Cs did not appear on the Board's agenda. Instead, a presentation and cocktail reception would be held at 6pm the same day at the Hotel Radisson Kenilworth and members were warmly invited to attend.

31. The delegate from the NCA reported on the Custom Trade Partnership on Terrorism (CTPAT), a voluntary programme which was important for doing business. A new programme was being planned by the NCA in November 2007 relating to a CTPAT qualification and they would like the coffee industry to be a leader in this respect. He asked members to look at the information available and determine if they wished to become involved.

32. The delegate from the EAFCA asked if it would be possible to use a currency other than the US dollar in its contracts since most of his members' exports were to European countries. The delegate from the ECF reported that no currency was specified in the standard contract; however, he acknowledged that the subject was highly complex, but at the same time was a legitimate subject for discussion.

33. The Board took note of this information.

Item 14: Future meetings

34. The Chairman reported that the PSCB's next meeting would, *mutatis mutandis*, be scheduled during the week of 19 to 23 May 2008.