



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

PSCB 111/08

16 October 2008
Original: English

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Report of the Private Sector Consultative Board on the meeting of 24 September 2008

1. The Private Sector Consultative Board (PSCB), chaired by Mr Christian Rasch-Topke of the National Coffee Association of Guatemala (ANACAFÉ), met on 24 September 2008.

Item 1: Adoption of the Agenda

2. The PSCB adopted the draft Agenda contained in document PSCB-109/08 Rev. 2.

Item 2: Report on the meeting of 21 May 2008

3. The PSCB approved the report on the meeting of 21 May 2008 contained in document PSCB-108/08 Rev. 2.

Item 3: Chairman's report

4. The Chairman reported that a CD-Rom was available which contained all the presentations made at the PSCB during the last two years. A copy was circulated to members and more could be requested from the Secretariat if required. The Board took note of this information.

Item 4: Statistics

5. The Chairman introduced a discussion on the supply of private sector statistical data, on which presentations had been made at the meeting of the PSCB in May 2008. He stressed that these were meant to be complementary to, not contradictory with the official statistics. The intention was to focus on supplementary information regarding quality and such issues as speciality coffee. The Executive Director reported that efforts were being made by the Secretariat to improve the quality of statistical data, while at the same time he emphasized

that the supply of two sets of statistics should be avoided: the focus should be on complementary data, to identify trends which could be used in future. He warned against creating conflicting sets of statistics.

6. One delegate suggested that it might be useful to identify incremental statistics which could be supplied by the private sector to the Statistics Committee; this might reduce the possibility of conflict and confusion. The Executive Director noted that at the origin of the issue was the nature of speciality coffee, which had different definitions in the USA, Europe and Japan. Another delegate agreed with this comment: he felt that the definition was highly contentious, as indeed was the definition of organic coffee. The delegate from the National Coffee Association of the USA (NCA) commented that producers might well define speciality coffee differently from consumers: in the United States they had concentrated on trying to define it from the consumers' point of view, but he acknowledged that they had not yet reached a conclusion.

7. The delegate from the Specialty Coffee Association of America (SCAA) reported that they had solid data on the import of organic coffee into the USA and were conducting research into the question of speciality coffee, which they would be happy to share with the Secretariat. The delegate from the Speciality Coffee Association of Europe (SCAE) said that the information on Certificates of Origin was important, but they desired greater transparency; the Board should not become too absorbed in the definition of speciality coffee: there would almost certainly be an element of double counting. If one element, such as decaffeinated coffee, were selected, double counting could be identified immediately because of the double certification. The objective remained to produce transparency in spite of the double counting: he felt the results would still be useful.

8. The Executive Director noted that the segmentation of information might be a useful place to start. The issue would be debated further at the Statistics Committee later in the day. The Chairman encouraged members to attend the Statistics Committee meeting in the afternoon, where they would be welcome.

9. The Board took note of this report.

Item 5: Coffee and health

10. The Programme Manager gave presentations on the Positively Coffee Programme and the Health Care Professions – Coffee Education Programme (HCP-CEP), copies of which were given to members at the meeting. She reminded members of the Board of the origins of the Programmes and gave a synopsis of the history and progress achieved in both areas.

11. The Chairman reminded members that this was the last occasion on which Mrs Robert-Sargeant would make a presentation on the Programmes and that they were all welcome at a farewell reception for her at 18:30 on Thursday 25 September at the ICO. Both he and the Executive Director thanked her for her contribution.

12. The Board took note of this report.

Item 6: Food safety aspects

13. Dr Euan Paul gave an update on the issues of ochratoxin A (OTA), acrylamide and furan. Regarding OTA, he reported that the Codex Alimentarius had held its latest session in March, at which it had approved a proposal for new work on a Code of Practice for the prevention and reduction of OTA contamination in coffee. An electronic working group was preparing a draft Code which would be sent to Codex by the end of 2008. Codex was also drafting a proposed code of practice on acrylamide. The European industry was investigating enzyme treatment of green beans: the results of this are not yet known. Turning to furan, Dr Paul reported that the situation was not dissimilar from that of acrylamide: the industry was running trials in Europe which would be presented to the EU authorities later in 2008. Although he did not wish to prejudge the issue, he felt that the situation appeared to be healthier than was previously suspected.

14. The delegate from the NCA reported that California was giving serious consideration to labelling coffee harmful to reproduction and he felt that food safety in general was likely to become an important issue after the Presidential election. Another delegate noted that in Canada the authorities were looking to impose limits on certain foodstuffs, especially for younger consumers, but that so far coffee had not been part of this. Dr Paul noted that the Foods Standards Agency had decided to run two trials; the current view was that 300 mg. of caffeine a day was safe for pregnant women. The results of the trials would be available shortly.

15. The delegate from the All Japan Coffee Association (AJCA) highlighted a problem Japan had experienced with imports of green coffee in April 2008 from Ethiopia because of excess levels of pesticides. Japan had been unable to import further quantities from this source. He noted that the authorities in Ethiopia had made considerable efforts to uncover the source of contamination, but so far had not been able to trace it. The Executive Director acknowledged that this was a serious problem and he had spoken to the authorities in Japan and Ethiopia on the subject. It was suspected that the contamination arose from bags of jute which had been re-used to transport coffee. The use of pesticides was banned in Ethiopia.

16. The Chairman reported that information regarding the European Union's latest regulations on Maximum Residue Levels of pesticides was included in members' documents folders, as were links to the relevant areas of websites (see document ED-2046/08). Any member requiring additional information was asked to consult the Secretariat or the European Coffee Federation (ECF).

17. The Board took note of these reports.

**Item 7: Implementation of the
Coffee Quality-Improvement Programme (CQP)**

18. The Executive Director introduced document EB-3953/08 which described the latest situation of the CQP. He noted that 28 countries representing 68% of world exports were complying. Problems continued to exist in Vietnam and Côte d'Ivoire. He invited members to consult the papers presented to the 22nd ASIC Conference in Brazil: copies of the compendium could be found in the ICO's library.

19. The delegate from the SCAE took encouragement from the Executive Director's comments, especially by the efforts to improve quality in Vietnam. However, he observed that the majority of Robusta producers had not yet engaged in the programme: he felt that the Board needed to encourage them to comply and, if the countries continued not to comply, the Board should understand the reasons for this. The Executive Director noted that a number of the projects approved during the week's meeting would enable Robusta producers to address this issue directly and he praised the efforts of the Eastern African Fine Coffees Association (EAFCA) in this respect. The delegate from EAFCA agreed that a number of programmes were being conducted on a regional basis and in total 10 countries were cooperating on the issue. He also felt that there was considerable success with the focus on quality. The delegate from the Association of Indonesian Coffee Exporters (AEKI) reported that the situation in Indonesia was being monitored constantly; most production came from small farmers who were an important political constituent in the country. He noted that there was rarely a problem with Indonesian coffee at LIFFE grading and most coffee was exported directly to coffee roasters.

20. The Board took note of this report.

Item 8: International Coffee Agreement (ICA) 2007

21. The Executive Director reported on the status of signing and ratification of the ICA 2007: he noted that the importing Members had met the conditions for entry into force of the Agreement; exporting Members had not yet done so. Several Members had made a proposal to extend the deadline for signature and the matter was under consultation. The main objective was to facilitate the entry into force of the Agreement as soon as possible. The Council was continuing to deliberate the question of the terms of reference of the various new ICO bodies.

22. The delegate from the NCA highlighted Rule 35 of the Rules of the Organization regarding the Chairman and Vice-Chairman of the PSCB: he reminded the Board that it had expressed the view that it should decide on the nominees and the Council should confirm them. He requested that this item be included in any discussions on the terms of reference.

23. The Board took note of this information.

Item 9: International Coffee Genome Network (ICGN)

24. No update was available.

Item 10: World Coffee Conference

25. The Chairman reported that a presentation had been made to the Council on the Conference, which would be held in Guatemala from 26 to 28 February 2010, followed by Council meetings from 1 to 4 March 2010.

26. The Executive Director appealed to members of the PSCB and private coffee associations to identify issues affecting the coffee community. A task force would be created to set the agenda and suggest topics and proposals for speakers. This was a complex issue and he stressed the need to plan as far as possible in advance.

27. The Chairman emphasized that the objective was to bring the coffee world together: to review what had happened over the last five years since the World Coffee Conference in Brazil and what might be expected to happen in the future. The organization was being put in place to ensure a successful and enjoyable Conference. He extended a warm invitation to all members and coffee associations.

Item 11: Geographical Indications

28. The Chairman invited discussion on the question of geographical indications for coffee and the report on the Seminar held in May 2008 contained in document ICC-100-11. The delegate from AEKI reported that his delegation had been impressed by the Seminar and had found it extremely valuable. He opined that it should become a permanent feature of their deliberations: he noted that it was not on the Council Agenda, and it was therefore important for the PSCB to follow up. He felt that the Seminar had raised a large number of important questions. Indonesia produced a significant volume of high grade coffee, nearly 1 million bags of Arabica, and Indonesia uses various regional names. He reported that he had bought a packet of organic coffee from a popular supermarket in the United Kingdom which identified that the coffee came from Sumatra and had the Fairtrade label. The packet did identify precisely the origin of the coffee and he asked how this could be verified: he requested advice from the consuming countries on this subject.

29. The delegate from the SCAE informed members that there should be an audit trail leading back to the coffee producer; specific channels existed to facilitate the trail. However, he acknowledged that it was not unknown for some coffees to pretend to be something which they were not. He agreed that there was a wider issue here. The delegate from the NCA noted that, in international law, it was illegal to mislead the public. He felt that the only way to protect intellectual property was to prosecute cases in court whenever violations came to light. However, this was an extremely costly route. He cited the example of Colombia which had a particularly effective policy.

30. The delegate from the ECF noted that there were genetic footprints which could be followed: this would be the method adopted in most European countries. The Executive Director felt that this was an extremely important issue: once an origin has been identified, how can the producer ensure that the truth is told to the consumer? He agreed that Colombia had developed an effective programme, but at the same time this was an expensive route. The delegate from the ECF noted that legislation differed from one consumer country to another, but also that responsibility resided on both sides of the commercial transaction.

31. The delegate from the NCA felt that several issues arose when dealing with intellectual property questions: public policy implications, pragmatic issues; legal structures; and business considerations, i.e. does a course of action make commercial sense? The Chairman acknowledged that the biggest issue for small producers remained the question of resources.

32. The delegate from AEKI observed that he was not aware of any problems in Indonesia in this respect. He was concerned to ensure that the question was addressed in the right way: none of his members could have recourse to law because their production volumes were too small. He hoped that the dialogue could continue. The Chairman confirmed that the subject should remain on the Board's Agenda.

33. The Board took note of these reports.

Item 12: Recommendations to the Council

34. The Chairman confirmed that he would raise the question of Rule 35 of the Rules of the Organization referred to in paragraph 22 above in his report to the Council.

Item 13: PSCB representatives and officeholders

35. The Chairman asked members of the Board to confirm the contact details of their representatives and alternates for 2008/09 and return the form which was contained in their document folders (attached as an Annex to this document) to the Secretary at the meeting or later by email to info@ico.org. He also invited the Board to note that the Council would consider the nomination of the Coffee Association of Canada at its Session later in the week and that one other importing member seat would remain vacant for the time being.

36. The Chairman reported that Ms Florence Rossillion, the Vice-Chairman of the PSCB, had sent her apologies for her absence from the meeting due to prior commitments. She had indicated her willingness to become Chairman of the PSCB for 2008/09. He also invited the producers to nominate a Vice-Chairman: the delegate from the NCA proposed Mr Rodolfo Trampe from the Mexican Association of the Coffee Production Chain (AMECAFÉ). Both proposals were approved unanimously by the Board.

37. The Executive Director thanked Mr Rasch-Topke for his service over the past two years as Chairman of the PSCB, which had seen its role considerably enhanced.

Item 14: Other business

British Coffee Association Arbitration Rules

38. The delegate from the ECF drew attention to a change in the Arbitration Rules, which involved a change of name, but no change to the process (see document PSCB-110/08).

ICO CoffeeClub Network

39. Mr Carlos Brando of P&A Marketing gave an update on the ICO CoffeeClub Network. Copies of the presentation were made available at the meeting and are also available on the technical presentations area of the ICO website (<http://dev.ico.org/presents/presentation0708.htm>).

40. The delegate from AEKI reported that his association had created a new division to cover the roasting business because the domestic industry was expanding rapidly, having now reached in excess of 2 million bags.

41. The delegate from EAFCA reminded the Board of its 6th annual meeting in Rwanda from 12 to 14 February 2009. He extended a warm invitation to all members of the PSCB.

42. The Board took note of these reports.

Item 15: Future meetings

43. The PSCB noted that the date of the next meeting would be confirmed by the Secretariat in due course.

ANNEX

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PSCB CONTACTS FOR 2007/08 AND 2008/09

PSCB representatives and alternates are kindly requested to complete and return the attached form to the Secretariat to enable the ICO to update its records and ensure that all PSCB representatives and alternates receive PSCB documents and other relevant information. The form can be returned to the Secretariat or sent by fax or email to the ICO.

Please complete using block capitals

PSCB ASSOCIATION:

Contact: *Delete as appropriate:*
• **Representative**
• **Alternate**

Name:

Title:

Address:

Country:

Telephone:

Fax:

Email address:

Website:

PSCB ASSOCIATION:

Contact: *Delete as appropriate:*
• **Representative**
• **Alternate**

Name:

Title:

Address:

Country:

Telephone:

Fax:

Email address:

Website:

