



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

PSCB No. 96/06

27 November 2006
Original: English

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Report

**Report of the Private Sector
Consultative Board
on the meeting of 27 September 2006**

1. The Private Sector Consultative Board (PSCB), chaired by Dr. Euan Paul, met on 27 September 2006.

Item 1: Adoption of the Agenda

2. The PSCB adopted the draft Agenda contained in document PSCB No. 89/06 Rev. 1.

Item 2: Report on the meeting of 24 May 2006

3. The PSCB approved the Report on the meeting of 24 May 2006 contained in document PSCB No. 87/06.

Item 3: Coffee and health

4. The Programme Coordinator made presentations on the Positively Coffee Programme and the Health Care Professions – Coffee Education Programme (HCP-CEP). Positively Coffee had covered three new topics over the past year: Coffee and Social Pleasure, Coffee and Cancer and Coffee and Blood Pressure, each of which received publicity on the website and through the Newsletters. The sixth Newsletter had been published in Summer 2006 and addressed the subject of the ability of coffee to overcome tiredness while driving. The website had been improved to be read in all four languages of the ICO. A banner stand had been designed for publicity at conventions and exhibitions and it was anticipated that it would be displayed at a number of conferences imminently: the International Scientific Coffee Association (ASIC) in Montpellier, the ICO meetings, and Espresso Expo in Trieste. Several articles had been published in trade journals on such subjects as Coffee and Diabetes and Coffee and Safer Driving (both in Café Europa). The Programme had strengthened its support for coffee associations, including monitoring research, updating the existing

topics and preparing slide summaries for all the topics. Website activities had continued to attract visitors: over 9,000 views had occurred in August 2006 compared to 6,000 the previous year.

5. As far as the HCP-CEP was concerned, the Programme Coordinator reminded members that 2006 was the final year of a three year programme. Results would be reported to the Institute for Scientific Research on Coffee (ISIC) shortly and a decision would be taken regarding activities in 2007 and beyond. Efforts were currently focussed on compiling a central databank to consolidate best practices and to act as a benchmark for future activities. This would be available on CD-Rom in 2007. Interest from a number of other countries was growing. An analysis was given of the results in each of the participating countries: Finland, France, Italy, Netherlands, Russia and the UK.

6. The Chairman thanked the Programme Coordinator for her reports.

7. Dr. Darcy Lima of the Federal University of Rio de Janeiro made a presentation on the Coffee and Health programme in Brazil. Three projects had been initiated: Coffee and the Heart, Coffee and the Brain, and Coffee in Schools. He reported on the activities of Conexão Médica, a specialist medical TV channel which was broadcast on satellite TV and whose programmes could be loaded on to CD, PC, and iPod: for example, doctors could watch 25 one hour films on their iPods. The channel was fully funded by the Ministry of Agriculture, Livestock and Food Supply of Brazil. The Coffee and Health programme published three Newsletters a year which reached some 120,000 doctors, roughly 50% of all doctors in Brazil. The message to young persons was simple: give up junk food and consume healthy food, of which coffee is an important element. In response to a question, Dr. Lima said that they had established a programme of coffee and breakfast at schools which had run for ten years: there was strong evidence that academic performance had improved and that alcoholism and depression, the most significant killers after car accidents amongst young people, was reduced by coffee consumption.

8. Dr. Lima reported that he would give the CDs and films shown in Brazil to the ICO's library for the use of the Members. The Chairman thanked Dr. Lima for his presentation and for the materials given to the Organization.

Item 4: Sustainability initiatives

9. The Executive Director said that document PSCB No. 91/06 containing the National Coffee Association of the USA (NCA's) contribution on sustainability had been circulated to the PSCB for consideration, while document ED-1981/06 had set out a draft definition of sustainability. He noted that this had been a useful exercise and comments had been received from a number of sources. One delegate commented that this was an important issue and should not be hurried: the NCA document had introduced the concept of free trade to the

definition and had changed the emphasis. The question of a definition remained central to the International Coffee Agreement itself. The Chairman suggested that the PSCB should recommend the need for an early definition to the Council.

10. The rapporteurs of the Common Code for the Coffee Community (4Cs) introduced a progress report on the Common Code. They reported that the past three and a half years had seen a great deal of work. A multi-consensual approach had been adopted and producer representatives from 12 countries had participated. The 4Cs had developed a code of conduct which represented a central component. Not all the burden had been placed on the producers and the management unit had made considerable efforts to travel into the field and receive feedback. The 4Cs had developed a self-monitoring and self-assessment process and were now on the verge of bringing the jigsaw puzzle pieces together. The rapporteurs noted that a meeting of the 4Cs would take place in Switzerland in the week of 4 October 2006 which would discuss the questions of the structure of the organization, management structure, budget, governance, as well as the development of a training system for farmers. It was planned that the first meeting of the General Assembly would take place in spring 2007. They reported that the institution would most likely be registered under Swiss law, would be a not for profit organization, would be open to all types of member, and draft statutes were already in existence.

11. The Executive Director referred to the new developments leading to the institutionalisation of the 4Cs and indicated that he would ask the advice of Members and of the PSCB about the nature of the invitation from the 4Cs to the ICO, and how this would fit into the normal agenda of the ICO. Once the legal structure was established, it would be possible to devise terms of cooperation.

12. In response to a question relating to the assurance of income to the producers within the 4Cs, the delegate from the European Coffee Federation (ECF) noted that there was no commitment: however, one of the main objectives of the 4Cs was to help farmers to be more efficient, to improve farming practices, and to produce better quality coffee which would translate into better prices.

13. One delegate commented that there would be a cost for all these services and he looked forward to seeing an analysis of the relative benefits and costs. The Vice-Chairman said that in Guatemala they had explored the issues in depth. In their view the main issue was verification: there was now mention of third party verification and the question then arose of audits, fixed costs and arbitration; was this now a certification scheme, which had never been the intention; there was also a lack of clarity about remuneration and who would bear the cost of the education process. One delegate asked for information regarding some practical examples, such as the programmes run by Nespresso, Rainforest, or Starbucks; the

4Cs programme was very interesting, but the emphasis lay on the producer and he did not understand how the programme could be successful without the input of buyers and consumers.

14. The delegate from the ECF said that their main consideration had been that, if the producers did not participate, the 4Cs would not work. As for the question of verification, a system of initial self-verification had been proposed and extended to give assistance to the farmer; a later form of external verification would be funded by the system. There was no intention to move to a full certification scheme. The involvement of buyers and consumers would be another test of the 4Cs. As for marketing, there would be no logo on the pack: the 4Cs was meant to be a mainstream initiative and many participants felt that their brands were already strong enough. On the question of fees, it was reported that a small producer would pay only 5 to 10 euros in his lifetime, while a large roaster would pay 100,000 euros or more.

15. The Board took note of these reports.

Item 5: Food safety aspects

OTA legislation

16. The Chairman commented that the work on Ochratoxin A (OTA), which had started in 1996, had as its objective the prevention of limit values on green coffee. The EU had now agreed that OTA was not genotoxic. The next EU meeting on the subject was due to take place in October 2006 and he hoped that the issue of green coffee would not escalate into a limit value. However, he warned members that they might need to act rapidly if some countries felt that a limit value should be imposed. He might need to ask PSCB members to lobby on this issue, although it would be better to await the results of the EU meeting. He pointed out that the CD-Rom on “Good hygiene practices along the coffee chain” which was contained in members’ folders constituted an excellent tool.

Acrylamide

17. The delegate from the NCA reported that during the NCA meeting in Canada in June 2006, the NCA had drawn together the various issues into a management plan which aimed to mitigate the fall out in the coffee industry. It focussed on communication, government affairs and research. The NCA had developed a comprehensive strategy around the concept that acrylamide was a food, not a coffee, issue.

Furan

18. The Chairman reported that there were no further developments to report.

Pesticides

19. The Chairman reminded the Board that Japan had introduced legislation and that the EU was seeking to harmonize EU legislation on maximum residue levels of pesticide. The Board needed to know about any pesticides being used, otherwise they could be banned, and that he had raised this issue at the last four meetings. The Vice-Chairman said that the Japanese list contained more than 400 pesticides: they had worked closely on this issue in Guatemala and had found no other pesticides in use, despite having looked at the issue extensively.

20. The Board took note of these reports.

**Item 6: Implementation of the
Coffee Quality-Improvement Programme (CQP)**

21. The Executive Director introduced a report on the CQP (document WP-Board No. 1011/06) and document WP-Board No. 1005/06 indicating how elements of the ISO standard on coffee defects (ISO 10470-2004) could be harmonized with the CQP. The Chairman commented that there was a need to tread carefully here and suggested that the issue should be kept on the agenda for the next meeting. One delegate agreed that these were important documents, but said that he would like to hear the views of all consumers. The Vice-Chairman reported that NYBOT had been bought out: he asked the ICO to keep a close watch on washed Arabica coffees, as well as the question of delivery of title; the issue of weight could be resolved, but that of chemicals needed to be clarified.

22. The Board took note of this report.

Item 7: European Contract for Coffee (ECC)

23. There were no further developments on this item, but it was agreed that the issue should be kept on the PSCB's agenda.

Item 8: International Coffee Genome Network (ICGN)

24. The Chairman invited Professor Graziosi to report on developments. Professor Graziosi thanked the PSCB for his nomination by the PSCB on the ICGN Steering Committee. He made a presentation concerning the work of the ICGN: funding research was difficult since coffee was not grown in consumer countries: for example, research funds devoted to tomatoes far exceeded the amounts available for research into coffee. He made the point that if a plant did not have good genes, it could not produce good coffee. Genomics was a global approach to the genes of an organism. There were 2,000 genes present in

Arabica coffee alone. The ICGN constituted an international commitment to work jointly for the development of populations involved in growing coffee; he also analysed the goals and beneficiaries of the ICGN.

25. The Chairman thanked Professor Graziosi for his presentation. In response to a question, Professor Graziosi noted that the aim of the ICGN was to improve normal breeding, not engage in genetic engineering; genetic instruments sought to shorten the breeding programme. Genetically modified organisms might be a theoretical possibility, but were unlikely to be a good idea: they had only been used on annual plants to date, while coffee was a long lived perennial plant.

Item 9: Market development in China

26. The Executive Director reported that there had been a great deal of activity in China, and that the Members would review the situation. The Chairman noted that this item probably belonged more into the territory of the Promotion Committee. However, he recommended that the PSCB should be kept aware of developments.

**Item 10: Future of the
International Coffee Agreement (ICA) 2001**

27. The Chairman thanked members of the PSCB for their attendance at the extraordinary meeting on 24 September. The PSCB's contribution, summarised in the report given to the Council earlier in the week (document PSCB No. 93/06), had been well received. He raised one issue: if a decision were taken to set up a Working Group, should the PSCB be involved? One delegate felt that members of the PSCB were observers, but he congratulated the Chairman on the impact his report had made. Another delegate felt that, having made the contribution, the PSCB should be kept informed and be ready to register and respond to reactions.

28. It was agreed that this item should be kept on the agenda for the January 2007 meeting.

**Item 11: PSCB Chairman and Vice-Chairman
for the coffee year 2006/07**

29. The PSCB decided to appoint Mr. Christian Rasch Topke as Chairman for coffee year 2006/07.

30. In response to a request for nominations for the position of Vice-Chairperson, the delegate of the ECF said he would like to nominate Mrs. Florence Roussillon. However, there were a number of issues which still had to be clarified and he would like to delay a formal announcement until January 2007. The PSCB took note of this information.

31. The Executive Director, in his institutional and personal capacities, thanked Dr. Euan Paul for his outstanding contribution as Chairman of the PSCB and welcomed Mr. Christian Rasch Topke as the new Chairman.

Item 12: Other business

32. The Chairman called the attention of the Board to the question of observers which had been raised in document WP-Council No. 141/06. He recalled discussions earlier in the week and asked for a view from the PSCB. The Executive Director reported that the Council had invited two observers to these meetings pending a decision on a more general principle. One delegate asked whether, if the Council decided to admit observers, did that apply automatically to all committees? The Executive Director responded that this still had to be determined. However, the PSCB should not be too concerned: it reported to the Board and the Council on its own proceedings. The Chairman noted that the Council needed to define which meetings observers might attend since this was not entirely clear at present.

33. The Chairman reported that he had received letters from Asociación Mexicana de la Cadena Productiva del Café, A.C. and from the Honduran Coffee Institute requesting approval of the Board for their inclusion in the "Other Milds" category of the PSCB. This was approved and referred to the Council with a recommendation for approval.

Item 13: Future meetings

34. The PSCB noted that its next meeting would take place on 25 January 2007.

35. There being no further business, the meeting closed.