

Opening remarks by Ian Breminer, Chairman of the Round Table on Equitable Trading and Coffee – May 18th at the ICO

Distinguished Delegates,

It is a great pleasure to have been asked to chair this roundtable on Equitable Trading and coffee. I can only assume that the Executive Director, Dr Osorio, was looking for someone with a name as a bit of a trouble maker or stirrer - because when I asked him whether I could speak my mind he replied, of course that's what you are there for!

Well I don't promise any fireworks, at least not from me, however with the line up of distinguished speakers from all sides of the spectrum I am hopeful that we can really get down to discussing firstly what we mean by equitable trading and secondly has it got a future in this turbulent trading world of ours?

Before I introduce our first speaker I would like to say just a few words about my own feelings on this subject.

1. I am in favour of Globalisation PROVIDED there is an open playing field which allows all to participate to the best of their abilities without fear or hindrance in the form of Tariffs or other Government-imposed barriers to free trade. All things being equal and fair, globalisation should improve everyone's livelihood.
2. Having said that, I do regret that all too often the strong consumer countries hinder free trade through the unacceptable levying of duties or market distorting subsidies. (At least it looks as though the EU is making efforts to address this situation with their latest offer to their partners in the WTO)
3. To compound this arrogance and to add insult to injury, when asked to help to overcome the Coffee Crisis, the blame is put fairly and squarely on "the free market" which apparently must be allowed to do what it wants as a consequence of supply and demand. This is just disingenuous. I do agree however that Producing Countries also have a responsibility to ensure that the times of "boom and bust" do not reoccur. Whether this is managed via a sustainable production policy or other schemes, should be a matter for further discussion.

Turning now to our meeting. It is in the light of everything that has gone on over the past 15 years (since the demise of economic clauses of the ICA) that we sit here today to discuss the subject of Equitable Trading and Coffee.

The Collins New English Dictionary says that "**equitable**" means "**fair and reasonable**". "**Fair**" means "**reasonable and just**" and would you believe it just to show the times we move in, it continues with the definition "**a move to fair trade**".

Another word used to describe what we are going to talk about, is "**Ethical**" which is described as "**of or based on a system of moral beliefs about right or wrong**"

So what is **Equitable** trading?

What does it mean to you, to me, to the farmers who are meant to benefit and to the consumers? Does it mean that the producers are entitled to an equal share of the cake? or only to a share that reflects their input and hopefully allows them to recover their costs and make a small profit?

Over the last few years we have seen Fairtrade coffee - sustainable coffee - fairly and ethically traded coffee - coffee grown to protect birds and trees - coffee that is organically grown - rainforest friendly and many more.

What we need to find out today is whether some or all of these are part of a growing belief within the coffee industry that our system of trading is rotten and therefore they are a new beginning which will remain part and parcel of coffee trading for the foreseeable future?

Alternatively are they just a temporary phenomenon, led by Charities, NGO's and well-meaning companies, which will disappear as soon as the market improves but which have indeed helped some farmers in the meantime?

Or are they just a Marketing device used by companies to differentiate themselves from their competitors in order to carve themselves out a lucrative niche market?

Am I being sceptical even to suggest such a thing? Maybe.

It is also noteworthy that the Multi-Nationals have recently had to join in on the fair trade bandwagon, presumably because of the huge success of these products in the retail markets. Does this mean that fair and equitable coffee is at last becoming mainstream? Will there be enough of this type of coffee available in the world? if not, how should we develop the market for the future?

I personally find it difficult to come to terms with the fact that although many deserving farmers are receiving a much better income through these schemes (for want of a better word), the truth is that they are a "spit in the ocean" compared to the millions who are not able to benefit. The question surely should be - How do we make ALL coffee trading equitable? – not just a relatively small part.

I will be very interested to see if any of our speakers address this problem.

Enough from me now, I am really looking forward to hearing our speakers over the next few hours and to hearing some of your thoughts and ideas for the discussion which will take place at the end.

Ian Breminer
Chairman