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How to avoid a future coffee crisis: by maintaining a balance between supply and demand

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1. On the supply side:

a. Eliminate the distortions in the world agricultural markets related to the subsidies to the farmers of the industrialized countries. Enforce the Doha decisions. Today tropical farmers can only grow tropical products with consequent oversupply. Apply the quality standards of the ICO by reducing the percentage of defective beans (see resolution 420) hence improving quality and therefore increasing appreciation of coffee by the consumers.

b. Avoid over planting when prices are high. Governments should consider licensing the unique tropical areas where coffee can grow in the same way as they license a mine or another source of natural resources. Controlling compliance could be done by satellite.

c. Avoid crazy world crop estimates that only stimulate speculative activities and give the wrong signals to the growers. The ICO and governments are the most reliable sources of information.

d. Give the right information to the farmers (use the Internet which is a reliable source of information). In the past, the growth of world consumption was enhanced by low prices. Today this is still valid in developing markets like Eastern Europe, Russia, China and producing countries, but in mature markets the inversion of price elasticity (Germany, USA) is telling us that consumers are requesting better quality, not cheaper prices.

2. On the demand side:

a. Remove the fears of coffee consumers for their health. They are the results of ancient and obsolete research. Today, science sees coffee as helping us to live better, longer and healthier lives. Supporting basic research like the work of Vanderbilt University, ISIC, NCA and other organizations, will create the future knowledge to support our communications, globally, in this important area.

b. Strategically our first step is to get information to the medical professions (the Health Care Professions-Coffee Education Programme is active in France, Britain, Russia, Netherlands, Finland and Italy). This program which is in its second year, is producing impressive

results and should be extended worldwide. It reports directly to the medical profession, recent scientific discoveries showing the positive effects of moderate coffee consumption on health and on the prevention and treatment of disease.

c. A similar program aimed at the consumers is available in the four languages of the ICO, communicated globally via the Positively Coffee website (www.positivelycoffee.org), and is translated by others in China, Russia, Finland.

d. These two projects have generated similar initiatives in the USA, Brazil, Mexico, El Salvador, India, Costa Rica, Guatemala and a positive image of coffee is spreading worldwide by providing correct information (using the Internet which is the source of reliable information)

e. Funds allocated from the ICO Promotion Fund will be used to extend these information campaigns (not advertising) to other countries, like Eastern Europe, Russia, China and many producing countries.

f. Once the perception of coffee as a product that is beneficial to health is achieved, the next step is the increase of sensory enjoyment. Coffee competes with many other alternatives on the tables of cafes and homes around the world and the preference of the consumer is based on sensory perception; it must taste better, have a more intense aroma and a longer and better aftertaste.

g. After the pleasure of drinking a nice cup we have important changes to brain stimulation, alertness and mood, due to caffeine in moderate quantity (too much caffeine produces anxiety, dry eyes and palpitations, which are not dangerous but unpleasant)

h. Drinking coffee regularly, with its high antioxidant content, may contribute significantly to a healthy diet.

i. Finally, in the long term, the detoxifying components, the anti-dependency molecules will contribute to a healthier, longer and better life.

k. Without pleasure, nobody can discover the other important effects of coffee on health, and pleasure is dependant on the quality of the coffee beans. Poor quality coffee will not attract the younger generation that will look for other sources of well-being (drugs, Red Bull??). Quality is the winning factor.

So to summarize - how do we avoid a future coffee crisis - by looking at all the factors that help maintain a balance between supply and demand.

I hope my presentation today has helped identify some of the key factors in that vital equation for the survival and for the healthy growth of the world coffee market.