The Diversion and/or Destruction of Triage as a means to improve prices

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Supply/Demand Balance

millions of bags

80/81 81/82 82/83 83/84 84/85 85/86 86/87 87/88 88/89 89/90 90/91 91/92 92/93 93/94 94/95 95/96 96/97 97/98 98/99 99/00

Supply
Demand
Why have Market Fundamentals Changed

• Improvements in farming efficiency
  – higher yielding varieties
  – increased mechanisation
  – geographical shift to lowest cost areas.

• Improvements in transport and logistics
  – seamless supply channel

• More Vertically Integration and Greater Industry Concentration
  – trade house have a much greater presence in origin than before.

• Improvements in Flavour Management techniques
  – steam cleaning broadens the range of coffees available to the roaster

• Information Technology and Market Access
  – Producer stocks hedged on the market
Difficulties in implementing any scheme to Divert Triage

- **Finance**
  - who pays

- **Logistics**
  - not enough alternative uses and destruction difficult

- **Free Riders**
  - have the capacity to render the scheme ineffective

- **Creditable International Verification**
  - Past experience shows this is difficult