

International Coffee Organization

Annual Review 2019

Addressing the Coffee Price Crisis

Aknowledgements

The ICO wishes to express its gratitude to all partners such as donor countries, private sector companies and associations, United Nations organizations and academia that provided relevant cash and in-kind voluntary contributions during coffee year 2018/19.

These voluntary contributions enabled the ICO to expand its operations supplementing Members' annual contributions to the Organization's Administrative Budget.

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What?

ICO in Coffee Year 2018/2019



World-class Knowledge

- ICO 1st flagship publication, the 2019 Coffee Development Report
 - Monthly Coffee Market Reports
- 1st ICO Award for Excellence in Coffee-Related Research



Collaboration and Learning

- ICO workshop for coffee statistical focal points
- 'Promoting Domestic Coffee Consumption in Africa' project
- Supporting 4 Technical Cooperation/Finance Scheme projects for Vietnam, Colombia, Honduras and Uganda
- 3 country coffee profiles for Kenya, Uganda and Vietnam



Our Convening Power

- 80 top coffee experts and industry representatives' shared their knowledge with ICO members and stakeholders
- 14 expert panels, workshops and seminars with rigorous analysis of the coffee price crisis and ways to address it
 - Over 3,000 stakeholders (growers, roasters, traders, industry associations, governments, international organizations, development partners, NGOs, and academia) engaged in-person and online
- Over 250 delegates attended International Coffee Council Sessions



Sharing and Inclusiveness

- The 5th International Coffee Day (ICD) in 2019 reached the highest number of coffee stakeholders and consumers
- The Coffee Pledge to support a living income for coffee farmers garnered over 11,000 signatures in the first 3 months alone
- Over 30,000 views of the video 'An Anthem for International Coffee Day 2019' during the first 90 days
- Continuous and growing ICO presence in general and specialized media



From Talk to Action

- 1st CEO and Global Leader Forum with over 300 participants
- The historic London Declaration on price levels, price volatility and the long-term sustainability of the coffee sector
- Decision to set up the Coffee Public-Private Task Force
- New Working Group on the Future of the International Coffee Agreement

Why?

Our Rationale

The International Coffee Organization (ICO) is a multilateral intergovernmental organization, which works through international cooperation to strengthen the global coffee sector and promote its sustainable development in economic, social and environmental terms.

The ICO was set up in 1963 under the auspices of the United Nations, with responsibility for implementing the International Coffee Agreement (ICA) – an important instrument for trade and development. The latest and seventh Agreement, the ICA 2007, entered into force in 2011.

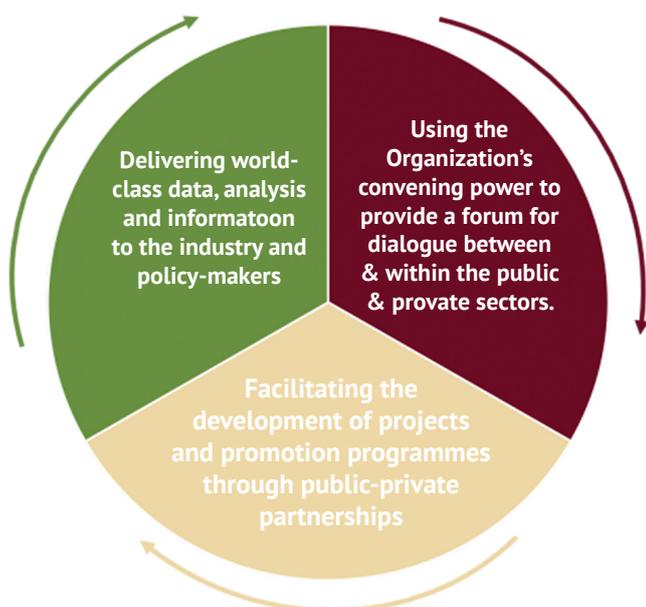
The ICO's membership represents 98% of the world's coffee production and over two-thirds of world consumption, providing a unique forum for the global coffee community. Members regularly discuss and decide the ICO's guiding principles, strategy and programme of work, aligning them with the 2030 Agenda for Sustainable Development. The ICO focuses on the specific needs of the coffee sector, particularly the millions of coffee farmers that make the world's preferred hot beverage.

International Coffee Agreement 2007

The work of the International Coffee Organization (ICO) is governed by the International Coffee Agreement (ICA) 2007. The objective of this Agreement is to strengthen the global coffee sector and promote its sustainable expansion in a market-based environment for the betterment of all participants in the sector.

Both exporting and importing countries can become a Contracting Party to the ICA 2007 by depositing an instrument of accession.

Our Strategic Focus – The Five-year Action Plan from 2017-2022



While implementing the five-year action plan, the work of the ICO in coffee year 2018/19 has focused on responding to the strong demand by ICO Members and stakeholders to address the coffee price crisis.

At the 122nd Session of the International Coffee Council (ICC) in September 2018, the ICC adopted Resolution 465 on coffee price levels. This gave the ICO a strong mandate to play an active and constructive role in fostering a Structured Sector-Wide Dialogue to address the crisis and achieve a sustainable world coffee economy.

The ICO Programme of Activities for 2018/19 has been adjusted to focus on the implementation of Resolution 465.

Why?

Message from the Chair of Council



Chairperson's foreword

I was honoured to Chair the International Coffee Council during coffee year 2018/19 and I have the privilege of presenting the Annual Review, which summarizes the activities of the ICO during this year. Coffee year 2018/19 was remarkable in many ways. Coffee prices were recording new lows negatively impacting many coffee farming communities. This coffee year, in recognition of the urgent need to address the coffee price crisis, ICO Members initiated a number of actions to reduce the negative impacts on coffee-producing countries and farmers.

Together during this coffee year, we have started the implementation of Resolution 465. We took action by engaging the international community and all the links in the coffee value chain, addressing the impact of low coffee prices on the livelihoods of coffee farmers and their families. For this reason, I welcome the fact that the industry and the international community have been mobilized through international cooperation to achieve a sustainable world coffee economy. This is one of the main objectives of the International Coffee Agreement 2007, further strengthened by the ICO's Five-Year Action Plan. I firmly believe that the International Coffee Organization, bringing together not only importing and exporting countries but also the private sector, academia and international organizations, is a unique and valuable forum for the international coffee community that should not be underestimated.

I am particularly proud to contribute to the fostering of a clear consensus on solutions to the challenges facing the coffee industry in producing countries. A number of actions have been initiated by the Secretariat with strong support from ICO Members and the private sector. This includes the Structured Sector-Wide Dialogue and

“ I firmly believe that the International Coffee Organization...is a unique and valuable forum for the international coffee community that should not be underestimated. ”

supporting stakeholders to take concrete steps, that can help solve the problems faced by farmers. I have personally participated in the consultative events in Nairobi, and New York at the United Nations. I want to take this opportunity to congratulate the Executive Director and his team for their sterling efforts that have been summarized in the Annual Review. Despite a reduction in staff, the Secretariat has managed to achieve important results in various areas. The improvement in the collection of statistical data and the publication of high-level and relevant studies, including the ICO's first flagship report, are good examples of these achievements during coffee year 2018/19. I particularly urge all Members and partners of the industry to read the first ICO flagship report with great attention since it highlights critical issues facing the coffee sector and possible solutions.

To achieve a vibrant and fair coffee industry, many challenges still remain, particularly in coffee-producing countries. As Members of the ICO, we all have a duty to ensure the fulfilment of the mandate of the International Coffee Agreement to foster the sustainable development of the coffee sector. We must support the ICO in its role to administer the Agreement, not only for the ever-increasing number of consumers across the world but most importantly the millions of people whose livelihoods directly depend on coffee. I would also like to call on all ICO Members to actively take part in the revision of the 2007 Agreement, to make it more effective and to give the ICO a stronger mandate.

I would like to offer my best wishes for a successful 2019/20 coffee year, under the guidance of the incoming Chair, His Excellency Mr Iman Pambago of Indonesia.

Ms Stefanie Küng
Chair of the International Coffee Council 2018/19
First Secretary
Embassy of Switzerland

Why?

Message from the Executive Director



In the past three years, the main focus of coffee stakeholders has been on the low prices that have been causing severe economic and social problems for coffee-producing countries.

During coffee year 2018/19, actions to resolve the critical situation of the world coffee market were a priority for the ICO. During its 122nd Session, held in September 2018, the International Coffee Council adopted Resolution 465 on coffee price levels. This gave the ICO a strong mandate and an active role in establishing a Structured Sector-Wide Dialogue to address the crisis and achieve a sustainable world coffee economy. Our Programme of Activities for 2018/19 has been adjusted to focus on the implementation of Resolution 465.

I am pleased to thank all coffee stakeholders and the international community for their positive response and support for the ICO's Structured Sector-Wide Dialogue carried out during the coffee year 2018/19. This support has been shown in a number of ways, starting with five consultative events designed to lay the foundations for the Dialogue. In the next pages, you will see some of the results achieved.

We did not limit ourselves to holding consultations. We are now moving into a phase of consensus building, in which the solutions identified through the Dialogue and the five events have been reviewed to establish a common ground on which actions should be prioritized, to map individual responsibilities for industry, governments and other stakeholders, and to identify areas for collaboration between actors and resources. The culmination of this Structured Sector-Wide Dialogue was the first CEO and Global Leaders Forum, where the industry agreed on a historic joint declaration of intent with concrete actions and a roadmap for implementation.

“I am pleased to thank all coffee stakeholders and the international community for their positive response and support.”

While conducting this Structured Sector-Wide Dialogue, the ICO Secretariat laid the analytical foundations for future actions in the form of our first annual flagship report: the 2019 Coffee Development Report on 'Growing for prosperity: Economic viability as the catalyst for a sustainable coffee sector'. It contains an in-depth and independent diagnosis of the state of the world coffee sector as well as an assessment of possible actions to address the economic challenges faced by the world coffee sector and by millions of coffee farmers in particular.

I would like to take this opportunity to thank ICO staff for their hard work, creativity and enthusiasm amidst the departure of many of their dedicated colleagues due to the financial constraints faced by the Organization. Despite these challenging times, the Secretariat has contributed effectively and efficiently to the implementation of Resolution 465. Through strong analytical and operational work, through supporting coffee stakeholders and garnering the attention of the media, the ICO has managed to strengthen its relevance and effectiveness.

We have made significant progress over coffee year 2018/19, but we are still a long way from achieving our ambitious target of achieving a truly sustainable coffee sector. Let us all continue to work hard together.

Finally, I would like to express my gratitude for the backing received from delegates, the private sector and ICO staff members and I hope to count on the same support during the next coffee year.

José Sette,
Executive Director,
International Coffee Organization

Why?

The Coffee Market:

Downward trends continued during coffee year 2018/19 with the ICO average composite indicator price falling to US cents 100.52/lb from US cents 109.03/lb in 2017/18. This level is a drop of more than 27% in comparison with the average of the last ten coffee years. The average ICO Composite indicator price of coffee year 2018/19 is the lowest since coffee year 2006/07. The low price levels have been causing serious negative impacts in coffee-growing communities worldwide since coffee year 2016/17, accentuating their already precarious living conditions. Historically, the longest period of low prices was between 1999 and 2004. Although current prices are still above the extreme lows experienced in the early 2000s, questions remain as to the reasons for and the duration of this negative trend.

Supply

Production reached a record 170.22 million bags, 4.6% higher than in coffee year 2017/18. Arabica production was 100.32 million bags, and Robusta was 69.91 million bags. Production in Africa increased by 7.2% to 18.62 million bags or 10.9% of the world total. Asia and Oceania accounted for 28.2% of world coffee production, harvesting 48.06 million bags. In Central America and Mexico, production remained stable at 21.35 million bags recorded in coffee year 2018/19, representing 12.5% of world supply. Finally, the largest supplier, South America recorded 82.19 million bags in 2018/19, representing 48.3% of the world total.

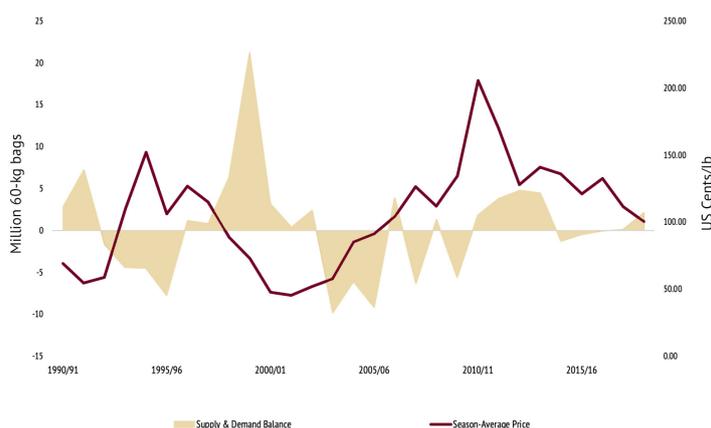
Consumption

Global coffee consumption has increased in each year following a downturn of 0.4% in 2008/09, reaching a record 168.1 million bags in coffee year 2018/19, representing an average annual growth rate of 2.7% over the last five coffee years. By far the strongest growth rates have been found in Asia and Oceania, averaging 3.4% per annum, followed by North America (+2.7%), Africa (+2.3%), and Europe (+2.2%).

International trade

Total exports in coffee year 2018/19 amounted to 131.62 million bags, a 9.9% increase compared to last year. Arabica exports were 84.81 million bags, with increased shipments of Colombian Milds (+7.1%) and Brazilian Naturals (+25.4%). Exports of Other Milds decreased by 1.7%, while Robustas rose by 6.3% on the previous coffee year.

Evolution of the Coffee Market since 1990/91



What?

The Annual Review: Tracking Progress

The ICO is strongly committed to implementing its Five-Year Action Plan (2017-2022) and Resolution 465 on coffee price levels. To enhance transparency and accountability, in coffee year 2018/19 the ICO started to track the progress of its work and of the annual Programme of Activities through a pilot Monitoring and Evaluation framework with a broad set of key performance indicators. To reflect this new approach, the Annual Review from now on will follow a new format structured around the Organization's three strategic goals, clearly outlining for Members the key achievements during the year.

Strategic Goal I: Delivering World-Class Data, Analysis and Information to the Industry and Policy-Makers

Improving statistical data collection

Continued efforts to improve statistical data collection, storage, processing and dissemination were made during coffee year 2018/19. The Secretariat has maintained its closer engagement with Members and the private sector:

- Monthly Coffee Market Reports continued to be published timely and effectively providing all coffee stakeholders and operators with a rigorous and neutral benchmark to understand the market and its trends.
- With the ICO Statistics Roundtable, the Secretariat has actively engaged with third parties to improve the quality and the coherence of statistical data. The ICO Statistics Roundtable is open to all experts from the public and private sectors to exchange information on statistical data related to coffee. During coffee year 2018/19, after completing a historical review of data, the Statistics Roundtable held its first annual review looking at data for the two most recently completed years. In order to implement the recommendations of the Statistics Roundtable, the Secretariat analysed ICO statistics and supplemented its data from other sources when information received from Members was delayed, incomplete or inconsistent. The ongoing work resulted in higher-quality data that is internally consistent.
- The Secretariat carried out a workshop for statisticians from three Member countries in February 2019 in order to increase compliance with providing statistical information and deepen their understanding of statistics for the world coffee sector.
- In 2018, to gain a better understanding of the characteristics and quality of ICO data, a technical analysis of the ICO statistical database was conducted. As a result, the Secretariat has appointed a consultancy firm to assist the ICO in upgrading the statistical database to an online database. The outcome will be presented during coffee year 2019/20.

What?

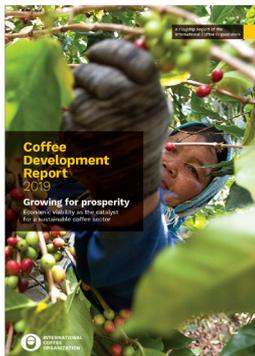
Enhancing market transparency and sharing expertise through studies and publications

The ICO supports market transparency through the collection, dissemination and publication of a wide range of timely and high-quality statistics on the world coffee sector. During coffee year 2018/19, the Statistics Section produced and distributed **monthly coffee market reports, monthly trade statistics reports, quarterly statistical bulletins reports and an annual trade statistics report**. With regards to economic analysis and dissemination of results, ICO economists continued to carry out high-level research and to respond to queries by ICO members, coffee stakeholders and academia. Specifically, independent economic research, econometric analysis and surveys on the causes and impact of the market situation with low prices were the priority for the current year.

The economic studies published during coffee year 2018/19 include:

- The profitability of coffee farming in selected Latin American countries [ICC-124-6]
- Survey on the impact of low prices on exporting countries [ICC-124-4]
- Coffee futures markets: Role of non-commercial traders [ICC-124-5]
- The ICO published 3 country coffee profiles in cooperation with Kenya, Uganda and Vietnam, in order to improve the visibility of individual countries in the world coffee economy and to identify important characteristics and current issues.

Flagship report



Coffee year 2018/19 was marked by the publication of the inaugural Coffee Development Report, the ICO's new flagship publication. Published annually, the report will be the key analytical output of the ICO. The report contains evidence-based recommendations for sector policies aimed at informing decision makers in the government, industry, international organisations and NGOs. The Coffee Development Report sets the agenda within the coffee sector debate by tying in coffee issues to the broader development discourse at the level of the United Nations, G7, and G20.

The first edition "Growing for prosperity: Economic viability as the catalyst for a sustainable coffee sector", contained two parts. Part 1 comprises of an analysis of the root causes and impact of the coffee price crisis, and links fluctuations of international coffee prices with development indicators at the level of producing countries. Part 2 provides an independent review of potential solutions to address the short, medium and long-term challenges faced by the sector.

Highlights from the report include:

- New and comprehensive economic data on the global coffee sector.
- Analysis of the root causes and impact of coffee price levels, volatility and long-term trends.
- For the first time the link between fluctuations in international coffee prices and sustainable development is quantified using econometric techniques.
- Challenges to harness growth in the global coffee sector are identified.
- Assessment of 50 solutions at the farm-industry and government level to address coffee price levels and volatility
- Seven priority actions and key enabling factors are identified.
- The roles and responsibilities of sector stakeholders and areas for public-private collaboration are proposed.

What?

The report was based on rigorous analysis of ICO data and information from external sources and sought to offer a framework to capture the complex nature of the coffee market. It was produced with the support of the German Federal Ministry for Cooperation and Development through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

ICO Award for Excellence in Coffee-Related Research

The ICO Award for Excellence in Coffee-Related Research was launched in January 2019 to promote high-quality research on emerging issues in the global coffee sector. This first edition attracted 16 high-quality submissions that were shortlisted down to three by an esteemed judging panel that included Mr Mick Wheeler (Overseas Representative of the Coffee Industry Corporation of Papua New-Guinea), Dr Christophe Montagnon (World Coffee Research) and Professor Christopher Gilbert (SAIS Bologna Center, Johns Hopkins University), with the support of ICO Chief Economist.

The prize for coffee year 2018/19 was awarded to Alexander Buritica and Carolina Gonzalez, from Colombia. Their research paper was entitled “Access to high-quality markets: Possible for all”. The paper explored how accessing high-value markets could improve the wellbeing of farmers if it allowed them access to markets that remunerated quality.



Mr. Roberto Vélez Vallejo, CEO of the Colombian Coffee Growers Federation (FNC) and Head of the Colombian Delegation to the Council receives the award on behalf of the winners of the award.

“ The ICO was thrilled to receive 16 high-quality submissions that helped work towards improving conditions for those who are most vulnerable in the coffee industry. ”

- José Sette
Executive Director, ICO

What?

Strategic Goal II: Using the Organization's Convening Power to Provide a Forum for Dialogue Between and within the Public and Private Sectors

Through its convening power, the ICO strives to provide a platform for a constructive and productive dialogue between exporting and importing countries, the public and private sectors, and wider coffee stakeholders as well as development partners, NGOs and academia. The Organization aims use its convening power to address the challenges and opportunities facing the global coffee sector. During coffee year 2018/19, three Council sessions were organized that included the active participation of representatives of Members addressing various coffee-related issues. Two Council sessions were held at the headquarters in London and one took place in Nairobi, hosted by the Government of Kenya. The ICO also strongly engaged with the private sector and NGOs throughout the coffee year.

International Coffee Council and Associated Meetings

The International Coffee Council is the ICO's supreme governing body. It meets twice a year to discuss wide-ranging issues with the aim of promoting a sustainable coffee sector. This year's focus has been on addressing the impact of low coffee prices, in particular on smallholder farmers. Two Regular and one Special Session of the Council were held during coffee year 2018/19 and were presided over by Ms Stefanie Küng of Switzerland.

123rd Session (Special): 14 November 2018, London, United Kingdom

Council decisions included the approval of:

- Resolution 466 on Members in Persistent Arrears.
- The draft Administrative Budget for 2018/19.



What?

124th Session: 25-29 March 2019, Nairobi, Kenya

With the theme of “Profitability: Consumption and Productivity”, the 124th Session of the International Coffee Council was opened by H.E. Mr Uhuru Kenyatta, President of Kenya. Key decisions of the Council included the approval of:

- The amended Programme of Activities of the Organization to implement Resolution 465 on coffee price levels, including the proposed series of Structured Sector-Wide consultations.
- Holding the CEO Forum as a special session of the Private Sector Consultative Board (PSCB) during the 125th Session of the Council.
- Updating the Step-by-Step Guide to Promote coffee consumption in Producing Countries.
- The project proposal ‘Improvement of small-scale farmers’ access to finance for building a sustainable coffee sector in Vietnam.’
- An amendment to the share of markets and their weightings in the calculation of group and composite prices from 1 October 2019.
- The establishment of a Working Group to examine the current Agreement and proposals submitted by Members, or other invited parties, and to submit recommendations to the Council.



H.E. Mr Uhuru Kenyatta, President of Kenya, opening the 124th Session of the International Coffee Council

What?

125th Session: 23-27 September 2019, London, United Kingdom



The main decisions of the 125th Session of the International Coffee Council included the approval of:

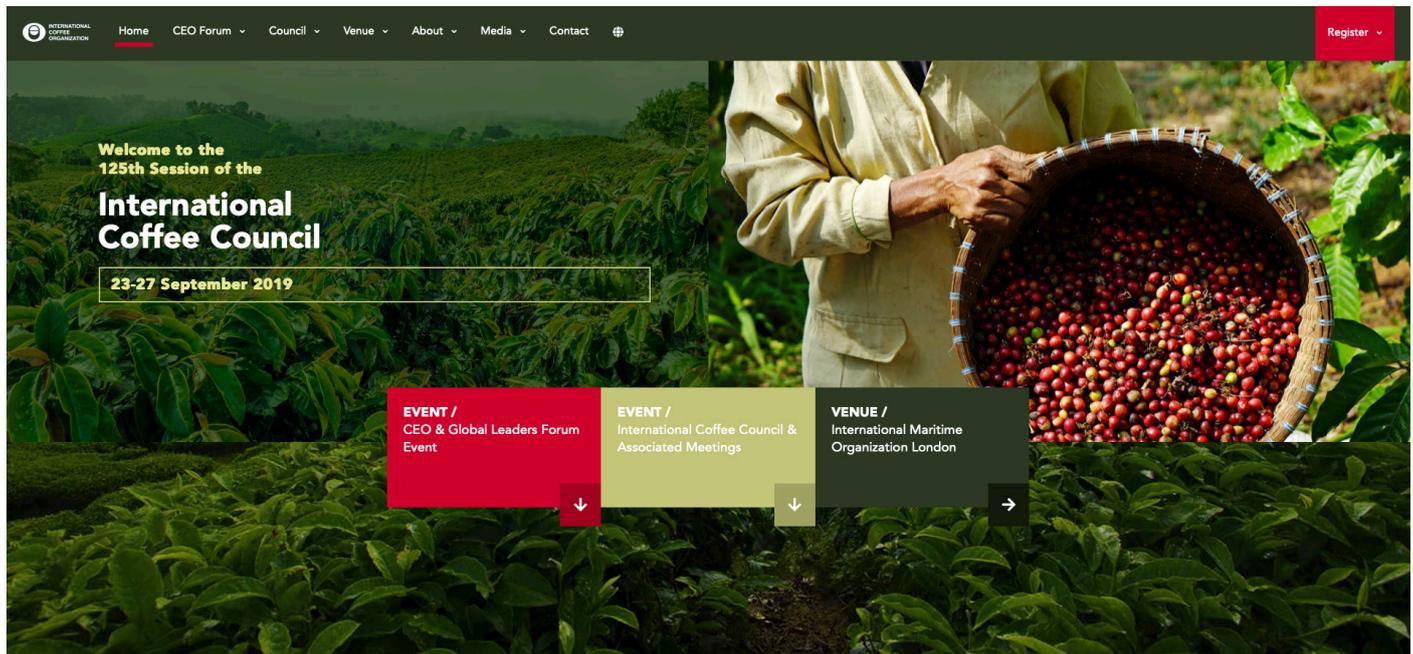
- Setting up a task force, with regards to the London Declaration, with ICO Members as well as representatives of the private sector and supporting organizations to draw up a roadmap and recommend further actions on price levels and volatility as well as long-term sustainability.
- The establishment of a coffee public-private task force to draw up a roadmap and recommend actions on coffee price levels, volatility and long-term sustainability.
- The Programme of Activities for 2019/20.
- The Administrative Budget for 2019/20.
- The composition of Committees and officeholders for 2019/20, including the election of H.E. Mr Iman Pambagyo (Indonesia) as Chair and Mr Michel de Knoop (European Union) as Vice-Chair of the Council.

During the 125th Session of the International Coffee Council, the ICO hosted:

- The 1st CEO and Global Leaders Forum of the coffee sector.
- The 9th Consultative Forum on Coffee Sector Finance focusing on 'Effectively managing price risks in the coffee value chain: a response to the coffee price crisis'.
- A 'Workshop on the Role of Futures Markets' run by the Intercontinental Exchange (ICE).
- 1st ICO Award for Excellence in Coffee-Related Research.

What?

125th Session: 23-27 September 2019, London, United Kingdom



Acknowledgements

International Coffee Council and Associated Meetings were held with the generous support of ICO Members and a special thank goes to:

- The Government of Kenya for its generosity and professionalism in hosting the 124th Session of the International Coffee Council and associated meetings in Nairobi, Kenya.
- The International Maritime Organization and staff for providing the venue and invaluable support for the 125th Session of the International Coffee Council in September 2019.
- The the Government of Switzerland, for sponsoring a Welcome Reception held as part of the 125th Session.
- Burundi, Kenya and Nepal for providing excellent coffee served during this year's Council Sessions.

What?

Structured Sector-Wide Dialogue

The Structured Sector-Wide Dialogue, launched during the 124th Session of the ICC, has been an unprecedented stakeholder consultation engaging all the links in the coffee value chain, as well as the international community and civil society. This Sector-Wide Dialogue was organized in two phases, including identifying solutions (phase 1) and building consensus (phase 2).

Phase 1: Identifying solutions

This phase was achieved through five global consultative events:

- Seminar 'Coffee: How Sustainable is our future?' organized by the ICO, the Global Coffee Platform and the Government of Kenya in Nairobi, as part of the 124th Session of the ICC.
- Interactive workshop on 'Price volatility and sustainability: Development challenges and solutions for smallholder farmers in the coffee value chain', held as part of EXCO 2019, organized by the ICO and the Italian Ministry of Foreign Affairs and Development in Rome, Italy.
- Interactive Symposium on 'Meeting the SDGs: Challenges for the Coffee Value Chain. Shared Solutions to coffee price levels, volatility and long-term sustainability' organized by the ICO in partnership with the European Coffee Federation, hosted by the European Commission in Brussels, Belgium.

The below two events were held at the UN headquarters in New York City as part of the SDG Investment Fair 2019 and the Finance for Development Forum.

- Financing sustainable and inclusive investment in agricultural value chains: The case of the coffee sector'. The event was jointly organized by the Smallholder and Agri-SME Finance and Investment Network (SAFIN) which was led by the International Fund for Agricultural Development (IFAD) and by the ICO in partnership with the National Coffee Association (NCA) of USA. Coffee for this event was generously donated by the National Federation of Coffee Growers of Colombia.
- 'Addressing risk and mobilizing investment in the coffee sector: Policy, coordination, and financing solutions' organized by the ICO and SAFIN in conjunction with IFAD.

There were contributions from more than 80 experts and industry representatives, and it involved over 2,000 sector stakeholders. Participants in these consultative events assessed the sustainability challenges faced by coffee stakeholders focusing on impact of low price on livelihood of coffee farmers and covering social, economic and environmental sustainability, and identified new, innovative and actionable solutions that are scalable as well as new and innovative, while also learning from solutions developed in other commodities.

Phase 2: Building consensus

Individual stakeholder consultations with industry, governments and other actors facilitated the identification of areas for collaboration and led to the CEO and Global Leaders Forum held in September 2019, as part of the International Coffee Council and the signature of the historic London Declaration.

What?

CEO and Global Leaders Forum

The first CEO and Global Leaders Forum of the coffee sector was held as a special session of the Private Sector Consultative Board (PSCB) on 23 September 2019, in response to Resolution 465 on coffee price levels. It marked the sixth consultative event in the Structured Sector-Wide Dialogue led by the ICO to address the coffee price crisis and long-term sustainability of the coffee sector.

Leading private sector actors across the coffee value chain agreed to jointly implement solutions in a spirit of shared responsibility, thereby contributing to the **UN 2030 Agenda for Sustainable Development Goals by signing a declaration on the economic sustainability of the world coffee sector**, which had also received support from a number of sector organizations. Referred to as the *'London Declaration on price levels, price volatility and the long-term sustainability of the coffee sector'*, all signatories and supporting organizations committed to concrete shared and individual time-bound actions aligned with the Declaration, as well as the extension of the coffee sector dialogue on long-term and transformational solutions, focusing on:

- a. Promoting competitive and sustainable production;
- b. Fostering responsible and equitable growth and increase market transparency;
- c. Promoting responsible consumption;
- d. Promoting public-private dialogue regarding policy development.

There was a commitment to take immediate action before the next meeting of the CEO and Global Leaders Forum to:

- Further development and alignment of individual, concrete, time-bound action plans
- Establish market and supply chain information systems to support transparency;
- actively participate in national dialogues; and
- Consider the allocation of resources for shared actions and exploring global multi-stakeholder funding mechanism

The following stakeholders signed the Declaration: ECOM Trading, illycaffè S.p.A., Jacobs Douwe. Egberts (JDE), Lavazza S.p.A, Mercon, Nestlé S.A., Neumann Kaffee Gruppe, Olam, Starbucks Coffee Company, Sucafina, Tchibo and Volcafe. The Declaration is also supported by: European Coffee Federation (ECF) Fairtrade International, Global Coffee Platform (GCP), Hanns R. Neumann Stiftung, IDH the Sustainable Trade Initiative, Latin American and Caribbean Network of Fair Trade Producers (CLAC), National Coffee Association of USA (NCA), Oikocredit, Rainforest Alliance, Rusteacoffee, Specialty Coffee Association (SCA) and the Sustainable Coffee Challenge.



What?

The council also confirmed that the **2nd CEO and Global Leaders Forum**, will be held during the **fifth World Coffee Conference in Bengaluru, India, 7-8 September 2020**.

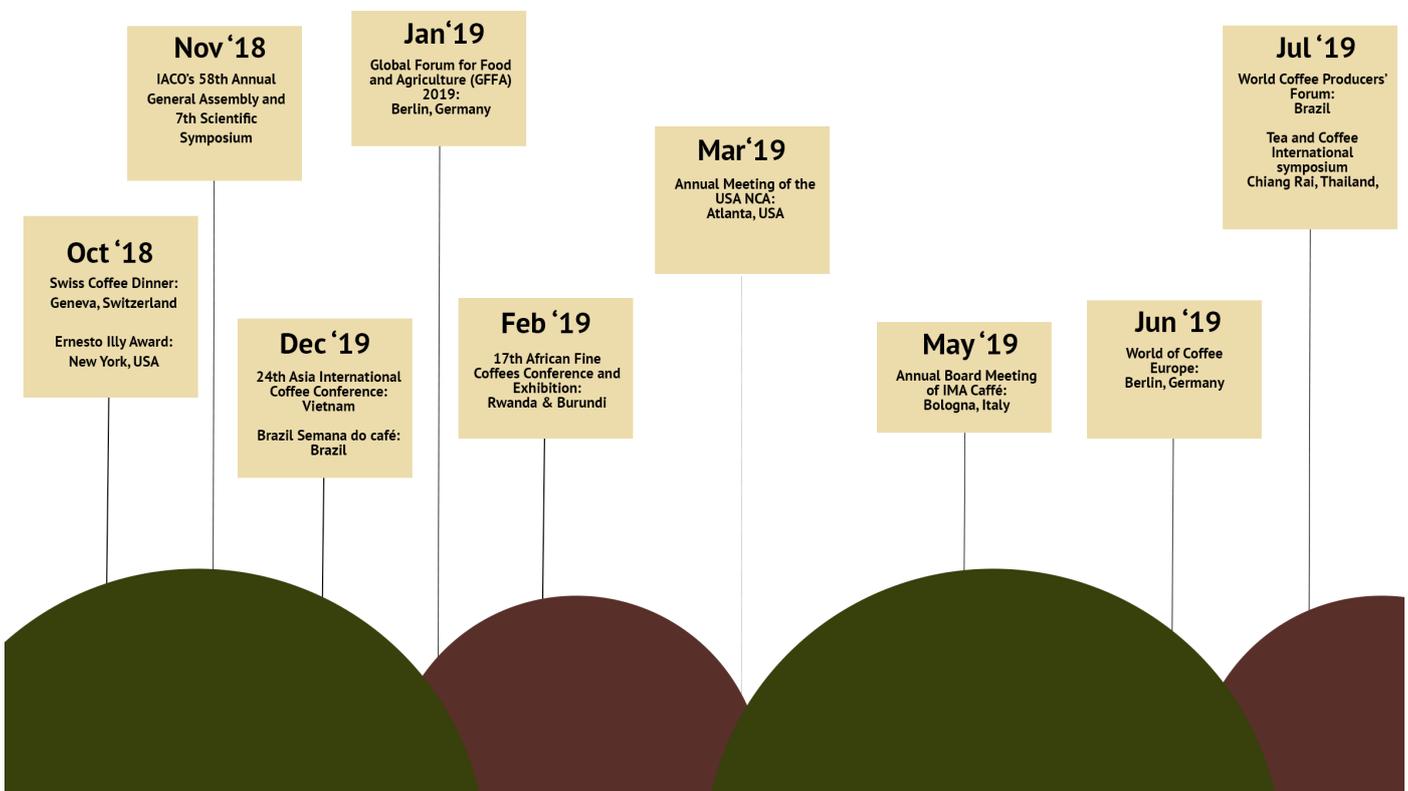


Industry events

This year the ICO was invited and delivered keynotes and speeches on the coffee sector and the contribution of the Organization in:

- 16 key international sector events¹
- In 13 countries, including the Brazil, Burundi, Gabon, Germany, India, Italy, Nigeria, Rwanda, Thailand, South Korea, Switzerland, USA and Vietnam.

ICO Event Participation 2018/19

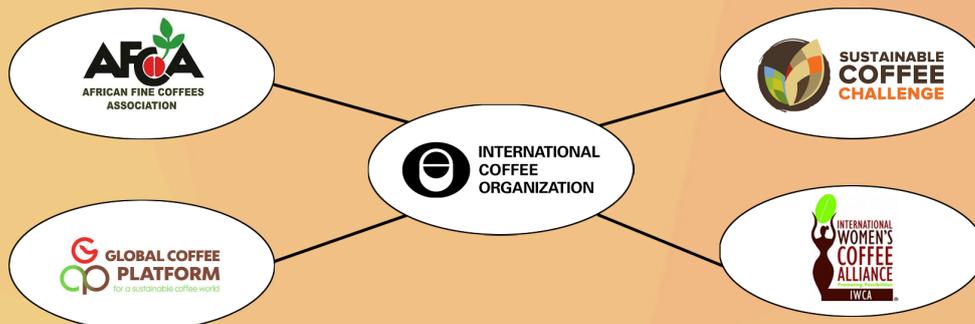


¹ ICO expenses were covered by hosts for six of these events.

What?

Partnering for Impact

To strengthen the global coffee sector and promote its sustainable expansion, the ICO works actively with governments, non-governmental organizations and the private sector through international partnerships and advocacy. During coffee year 2018/19 the ICO successfully continued and expanded the implementation of Memorandums of Understanding (MoUs) with various partners including:



ICO also signed a joint declaration with United Nations Industrial Development Organization (UNIDO) and organized the 2nd International Commodity Bodies Forum.

Partnerships with international and bilateral organizations

During coffee year 2018/19 ICO intensified dialogue with a number of key international and bilateral organizations, namely, Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), International Trade Centre (ITC), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the German Federal Ministry for Economic Cooperation and Development (BMZ), the Ministry of Foreign Affairs and International Cooperation, Italy, the Smallholder and Agri-SME Finance and Investment Network (SAFIN), United Nations Department of Economic and Social Affairs (UNDESA), United Nations Development Programme (UNDP), United Nations Industrial Development Organization (UNIDO).

Links with academic and research bodies

This year ICO economists embarked on missions to visit the agricultural economics departments of two partner institutions, the Georg-August University of Göttingen in Germany and the University of California Davis in the USA, providing campus-wide talks on the economics of coffee as well as meeting students and faculty.

The ICO Secretariat collaborated with leading academics and young scholars from the above-mentioned institutions, as well as Newcastle University in the UK, to conduct research on the profitability of coffee production in addition to long-term trends in coffee prices, the results of which were published as part of the Coffee Development Report as well as separate research studies. By working with graduate students and junior faculty on topical research questions ranging from the assessment of the gender gap in coffee production in Ethiopia to price transmission from coffee futures to spot markets, the ICO not only puts our statistical data to work and creates valuable insights to inform the debate in the sector but also nourishes a new generation of scholars to tackle coffee-related research questions.

What?

Strategic Goal III: Facilitating the Development of Projects and Promotion Programmes through Public-Private Partnerships

Technical Cooperation Projects

The Secretariat supports Members and coffee stakeholders in the design, fundraising, implementation, monitoring and evaluation of technical cooperation projects with a focus on public-private partnerships. During coffee year 2018/19, the ICO's Secretariat provided assistance to:

- Remote Sensing Applications Consultants Ltd (RSAC), GEOLAT SAS, National Federation of Coffee Growers of Colombia (Fedecafé)
- Ministry of Agriculture and Rural Development (MARD) of Vietnam
- Inter-African Coffee Organization (IACO)

The ICO signed a Memorandum of Understanding (MoU) with the Fedecafé, RSAC and GEOLAT SAS to collaborate on the £350,000 project co-financed by Innovate UK called 'Satellite Remote Sensing for Improved and Sustainable Coffee Production (SatCafé)'. SatCafé will develop the use of satellite data to monitor changes in land use in coffee-growing areas.

The International Coffee Council endorsed and provided technical assistance for the drafting of the project proposal submitted by Vietnam "Improvement of small scale farmers" access to finance for building a sustainable coffee sector in Vietnam". The ICO was invited to join the UK Research and Innovation - Global Challenges Research Fund(UKRI GCRF), Trade Development and the Environment Hub (TRADE Hub) a £20 million programme that includes support to the coffee sector in selected countries funded by the Global Challenges Research Fund of UK Research and Innovation.

Promoting Domestic Consumption

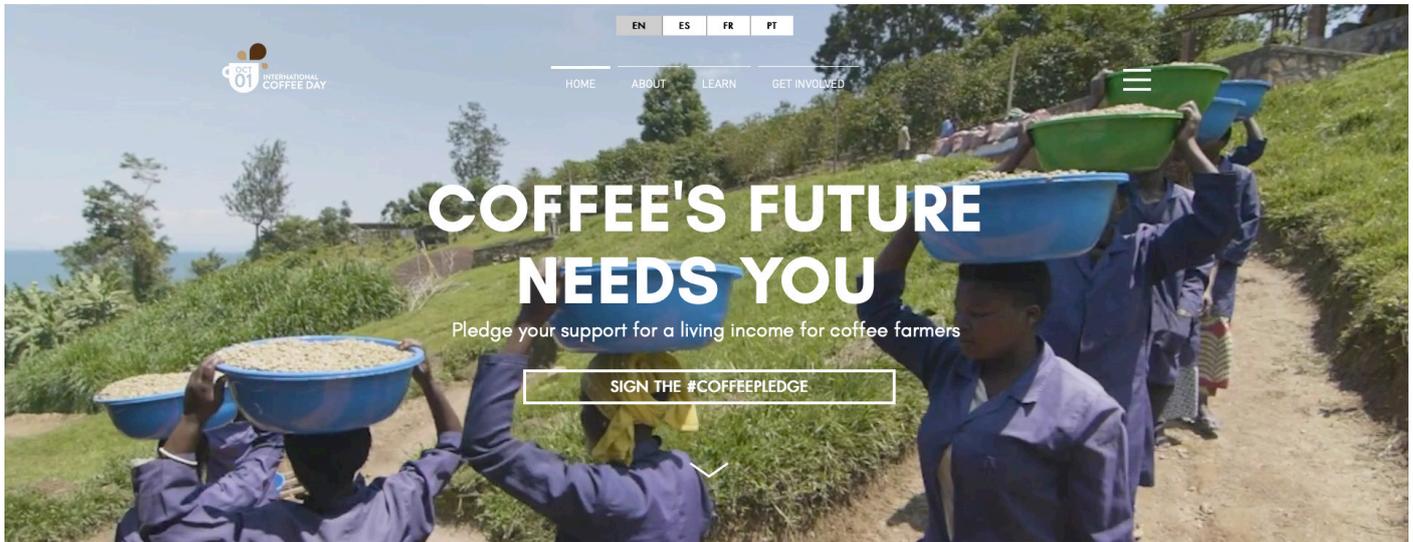
Increasing demand tends to improve the supply-demand ratio, resulting in a more balanced market in favour of higher prices. The ICO Special Fund is supporting Member countries to kickstart regional programmes to promote domestic consumption and value addition. The regional programme for Latin America was in the final phase of implementation during coffee year 2018/19, while the African programme was launched in the same period by the Inter-African Coffee Organization.

Outreach

The International Coffee Organization provides a central source of objective information on the global coffee sector. We also engage actively with international educational institutions to raise the profile of coffee-related issues within the academic community, help stimulate debate and facilitate youth-led solutions to development issues in coffee-producing countries.

What?

International Coffee Day 2019



Now in its fifth year, International Coffee Day 2019 expanded its scope and outreach and specifically highlighted the plight of coffee farmers among consumers and the wider public, the threat they are facing to their livelihoods and the need to take collective action focusing on the campaign: “COFFEE’S FUTURE NEEDS YOU: Pledge your support for a living income for coffee farmers”.

For the preparation of the International Coffee Day held on 1 October 2019, during coffee year 2018/19, ICO benefitted from the generous and continued support of the All Japan Coffee Association (AJCA) and for the first time, the Ernesto Illy Foundation and the Delegation of the European Union to Rwanda.

As part of the ICD, the ICO held a concert in a coffee farm in Rwanda and produced a successful music and video titled ‘Listen to Coffee!: An Anthem for International Coffee Day 2019’ which garnered over 30,000 views during its first three months of distribution. The video showed the reality of and highlighted the plight of millions of coffee farmers who are often the most vulnerable part of the coffee value chain.

In the first three months alone the ICD recorded the below impressive figures



30k
video plays



11k
petition
signatures



40k
website hits

What?

Social Media

The ICO promotes its content on the social media accounts Twitter, Facebook, LinkedIn and Instagram. The Organization offers its information services to the coffee industry, academics, the media and others, answering on average over 2,000 queries a year, including interviews and content on coffee trends and challenges to all major specialized coffee magazines and the media at large across the globe.

The ICO contributes monthly articles in the coffee magazine the Global Coffee Report and also ICO also provides a subscription service to key publications.

Our Social Media Community



7,028
Followers



5,760
Followers



9,872
Followers



1,330
Followers



3,129
Followers

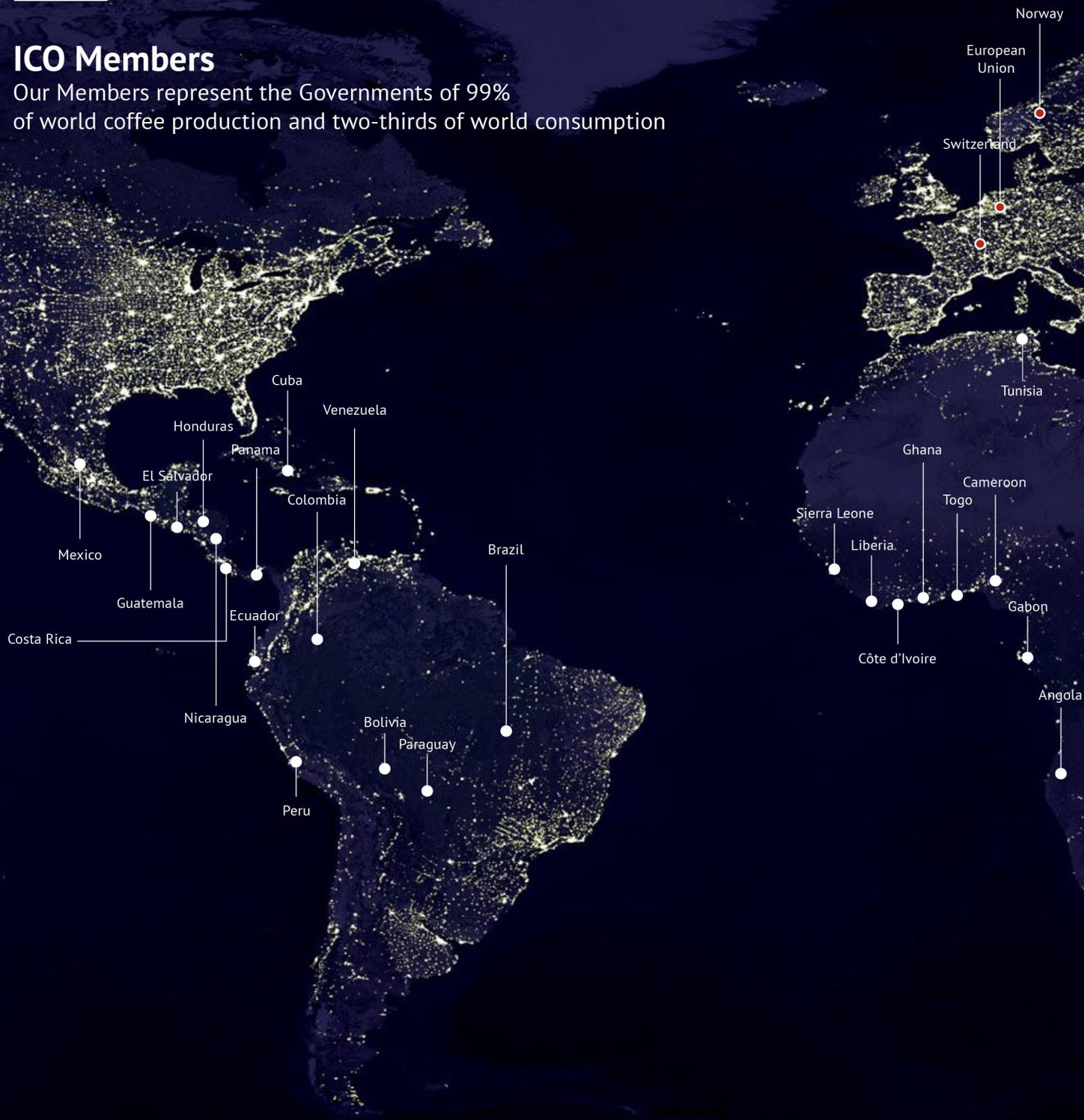
Some Press Highlights



Who?

ICO Members

Our Members represent the Governments of 99% of world coffee production and two-thirds of world consumption



Key

- Exporting members - 44 (as of 30 September 2019)
- Importing members - 5 (as of 30 September 2019)



Russian Federation

Japan

Nepal

India

Thailand

Vietnam

Philippines

Indonesia

Timor-Leste

Papua New Guinea

Yemen

Ethiopia

Uganda

Kenya

Rwanda

Burundi

Malawi

Tanzania

Zimbabwe

Zambia

Madagascar

Central African Republic

Congo, D.R.

Who?

Finance and administration

Governance and management

The Organization's governance, through the International Coffee Council, is defined in the International Coffee Agreement 2007.

Thematic focus

The thematic focus for 2018/19 was adjusted to address 'Profitability, Consumption and Productivity' and the programme of activities was refocused to implement Resolution 465 on coffee price levels agreed by the International Coffee Council at its 122nd Session in September 2018.

Resources

The activities of the International Coffee Council are financed by contributions from Members based upon their average coffee exports or imports and income generated by providing statistics and other services to non-members. The total budget amounted to £2,841,294 in 2018/19, with the financial statements of the Organization audited on an annual basis.

To support the Structured Sector-Wide Dialogue, as well as the International Coffee Day 2019 and the Coffee Development Report 2019, both the public and the private sector made voluntary contributions estimated at £102,000 in cash and £111,000 in-kind.

This amount covered experts, conference facilities, hospitality and interpretation, video, web applications, communication campaigns, co-authorship. These contributions were made by: All Japan Coffee Association (AJCA); Delegation of the European Union to Rwanda; Ernesto Illy Foundation; European Coffee Federation (ECF), European Commission (EC); Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); Global Coffee Platform (GCP); Government of Italy/ Ministry of Foreign Affairs and International Cooperation, Government of Italy/Ministry of Foreign Affairs and International Cooperation; Government of Germany/ Federal Ministry for Economic Cooperation and Development (BMZ), Government of Kenya; Government of Switzerland; International Maritime Organization (IMO); National Coffee Association of USA (NCA); National Federation of Coffee Growers of Colombia (FNC); Smallholder and Agri-SME Finance and Investment Network (SAFIN)/IFAD; Sustainable Coffee Challenge/Conservation International (CI); University of California, Davis; United Nations Department of Economic and Social Affairs (UNDESA); and United Nations Industrial Development Organization (UNIDO).

Monitoring the Programme of Activities through key performance indicators

The ICO's annual Programme of Activities supports the implementation of the Five-Year Action Plan 2017-2021, which sets out the overall direction and to address the increasing challenges faced by the coffee sector. A Pilot Monitoring and evaluation system was piloted by the ICO in coffee year 2018-19.

Who?

ICO Secretariat

The headquarters of the ICO is based at 222 Gray's Inn Road, London, United Kingdom, with a staff of 13 full-time employees and three agents collecting daily coffee price data and one part-time graphic design/communication consultant.



ICO Headquarters is located on the 4th floor of 222 Gray's Inn Road, London

Who?

Officeholders 2018/19

International Coffee Council

Chair: Ms Stefanie Küng (Switzerland)

Vice-Chair: Mr Deny Wachyudi Kurnia (Indonesia)

ICO Permanent Secretary of the Council: Mrs Sarah Friend, Secretariat and Communications Officer

Finance and Administration Committee

Chair: Dr Emmanuel Iyamulemye Niyibigira (Uganda)

Vice-Chair: Mr Kirill Matrenichev (Russian Federation)

Exporting Members: Brazil, Colombia, Côte d'Ivoire, El Salvador, Indonesia, Uganda

Importing Members: European Union, Japan, Norway, Russian Federation, Switzerland

ICO Permanent Secretary of the Committee: Ms Tomoko Hayashi, Acting-Head of Finance and Administration (as of June 2019)

Statistics Committee

Chair: Mrs Tatiana Zvereva (Russian Federation)

Vice-Chair: Dr Yenugula Raghuramulu (India)

Exporting Members: Brazil, Cameroon, Colombia, Costa Rica, Honduras, India, Kenya, Nepal

Importing Members: European Union, Russia Federation, Switzerland

ICO Permanent Secretary of the Committee: Ms Rebecca Pandolph, Chief – Statistics Section

Projects Committee

Chair: Mr Mitsuhiro Takayanagi (Japan)

Vice-Chair: H.E. Ambassador Aly Touré (Côte d'Ivoire)

Exporting Members: Brazil, Colombia, Costa Rica, Côte d'Ivoire, Guatemala, India, Indonesia, Kenya

Importing Members: European Union, Japan, Switzerland

ICO Permanent Secretary of the Committee: Dr Denis Seudieu, Chief Economist

Promotion and Market Development Committee

Chair: H.E. Ambassador Durga Bahadur Subedi (Nepal)

Vice-Chair: Mr Mitsuhiro Takayanagi (Japan)

Exporting Members: Brazil, Colombia, Honduras, India, Nepal, Panama, Tanzania, Togo

Importing Members: Japan, Russian Federation, Switzerland

ICO Permanent Secretary of the Committee: Mrs Sarah Friend, Secretariat and Communications Officer (October 2018-June 2019)

ICO Permanent Secretary of the Committee: Ms Nikita Sisaudia, Statistician (from July 2019)

Private Sector Consultative Board (PSCB) (2017/18 and 2018/19)

Chair: Mr Anil Kumar Bhandari (India Coffee Trust)

Vice-Chair: Mr Bill Murray (NCA)

Permanent Secretary of the Board: Ms Marcela Umana, Economist

Who?

Producer representatives

Colombian Milds:

Federación Nacional de Cafeteros de Colombia (FNC)
Sociedad Exportadora de Café de las Cooperativas de Caficultores (EXPOCAFÉ)
Asociación de Exportadores de Café de Colombia (ASOEXPORT)
African Fine Coffees Association (AFCA)

Other Milds:

Asociación Nacional del Café de Guatemala (Anacafé)
Asociación Nacional de Beneficiadores y Exportadores de Café de Panamá (ANBEC)
India Coffee Trust

Brazilian and Other Natural Arabicas:

Conselho dos Exportadores de Café do Brasil (CeCafé)
Associação Brasileira da Indústria de Café Solúvel (ABICS)
Associação Brasileira da Indústria de Café (ABIC)
Conselho Nacional do Café (CNC)
Confederação da Agricultura e Pecuária do Brasil (CNA)
International Women's Coffee Alliance (IWCA)

Robustas:

Conseil du Café-Cacao (3C)
Indonesian Coffee Exporters Association (GAEKI)
Uganda Coffee Federation (UCF)

Consumer representatives:

All Japan Coffee Association (AJCA)
China Coffee Association
European Coffee Federation (ECF)
Institute for Scientific Information on Coffee (ISIC)
National Coffee Association of USA (NCA)
Russian Association of Tea and Coffee Producers (Rusteacoffee)
Specialty Coffee Association (SCA)
World Coffee Research
ICO Permanent Secretary of the Committee: Dr Marcela Umaña, Economist
Consultative Forum on Coffee Sector Finance
Chair: Mr Kirill Matrenichev (Russian Federation) (also Chair of Core Group)
Vice-Chair: H.E. Ambassador Aly Touré (Côte d'Ivoire)

Who?

Core Group on the Consultative Forum (2017/18 and 2018/19)

Exporting Members: Brazil, Cameroon, Colombia, Nepal, Nicaragua, Uganda

Importing Members: EU, Russian Federation, Switzerland and one importing Member to be nominated in April 2018

Ex-officio member: ICO Executive Director

Assisted by:

- Chairman of PSCB, and four advisors: Ms Nancy Cheruiyot (FAST)
- Mr Silas Brasileiro (Conselho Nacional do Café, Brazil)
- Mr Nicolas Tamari (Sucafina SA)
- Dr Ralph de Haas (European Bank for Reconstruction and Development).

ICO Permanent Secretary of the Consultative Forum and Core Group: Christoph Sanger, Senior Economist

Looking Forward

The thematic focus for 2019-20 will be “Sustainable Coffee value chains and responsible sourcing”

Highlights

- 126th International Coffee Council: 27 April – 1 May 2020 (London, United Kingdom)
- 5th World Coffee Conference and 127th Session of the International Coffee Council 7-12 September 2020 (Bengaluru, India)
- 2nd CEO and Global Leaders Forum 9 September 2020 (Bengaluru, India)
- First Meeting of the Public-Private Task Force 15-16 March 2020, European Bank for Reconstruction and Development (EBRD), the second meeting in April and third in June or July 2020.

Working Group on Future of International Coffee Agreement

The International Coffee Council, during its 124th Session held in March 2019 in Nairobi, Kenya, established a Working Group with the mandate of examining proposals for amendment or renegotiation of the International Coffee Agreement 2007 submitted by Members and other invited parties. The Working Group met in July 2019 and agreed of its terms of reference and working procedures. Further meetings of the Group have been scheduled in coffee year 2019/20.

Activities for 2019/2020

The focus of the ICO programme of activities for coffee year 2019/20 will be on:

- Implementing the decisions and recommendations of the 124th and 125th Sessions of the International Coffee Council
- Concluding the draft of a new or amended International Coffee Agreement agreed among all ICO Members
- Continuation of the ICO Structured Sector-Wide Dialogue through:
 - the Coffee Public-Private Task Force and its related technical workstreams
 - the 2nd CEO and Global Leaders Forum to be held in India in September 2020
- Organizing the 5th World Coffee Conference, in partnership with Indian authorities, the India Coffee Trust, Indian Ministry of Commerce & Industry and the Coffee Board of India.
- Publishing the second Coffee Development Report on the thematic focus for 2020
- Upgrading the ICO Statistical Database and providing timely and high-quality ICO statistics and analytical research.
- Strengthening partnerships and mobilisation of additional financial resources and assisting Members with technical cooperation projects development
- Implementing Memorandums of Understanding and promoting other strategic partnerships and MoUs with International Organizations and research institutions.
- Further Outreach activities.
- Promoting coffee consumption and projects mobilizing resources and support from all coffee stakeholders including consumers.
- Preparing and holding of International Coffee Day in 2020.



**INTERNATIONAL
COFFEE
ORGANIZATION**

International Coffee Organization
222 Gray's Inn Road,
London,
WC1X 8HB
www.ico.org

 facebook.com/ICOfcoffeeorg
 twitter.com/ICOCoffeeOrg