Promotion and Market Development Committee - International Coffee Organization

2012-2015 Programme proposal

Andrea Illy

Scope

ICO scope
The ICO’s mission 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 coffee sector.

Promotion and Market Development Committee scope
- Step-by-Step Guide to Promote Coffee Consumption
- ICO CoffeeClub: a collaborative web-based community with the aim of promoting coffee worldwide

PROMOTION AND MARKET DEVELOPMENT COMMITTEE
International Coffee Organization

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### Historical background

| 2001 oversupply crisis affecting living conditions in growing countries |
|⇒ Mobilization of coffee community to increase consumption |
| Action Plan to Increase Coffee Consumption (approved 2003) |
| 1. Better quality leading to higher consumption |
| 2. Coffee and health information to reduce concerns |
| 3. Stimulating consumption in producing countries and in new and emerging markets |

### Situation ten years later

In the last ten years ICO promotion programmes provided a positive contribution to the development of the coffee sector

- Growth of differentiated coffees vs. maturity of commodity coffee
- Improved perception of impact of coffee on health
- Growth rate doubled vs previous decade
**Situation different now**

- De-commoditization
- Differentiation and value added increasing
- Production deficit
- Consistently high prices
- Uncertainty about where production for future demand will come from
- Dynamic growth consumption in developing countries

**Recommendation**

*In order to*

1. Prevent a possible new coffee crisis and/or be prepared to manage it
2. Address still unsolved issues such as livelihoods in poor producing countries
3. Consolidate positive results attained in the last decade
4. Polarize resources allocated to promotion of coffee by different entities

**ICO should continue the efforts of the Promotion and Market Development Committee with renewed objectives and a holistic multi-stakeholder approach**
Objective (tentative)

Contribute to the International Coffee Organization’s impact by promoting value and differentiation through a multi-stakeholder network of partners

From: promoting coffee consumption
web based community

To: promoting coffee value and differentiation
network of partners

Strategic goal #1

- Promote value through its main components: quality, health, sustainability, differentiation
- In order to do so, build a multi-stakeholder network of partners (producers, roasters, NGOs, institutions, retailers, etc.)

Possible actions:

1. Measure impact of main value components on coffee consumption
2. Ensure continuity of existing knowledge dissemination programs (e.g. Positively Coffee & HCP-CEP) and stimulate new and/or missing ones
3. Non intrusive pre-competitive holistic claim to be embedded in partners’ communications (e.g. “coffee improves life”)
Strategic goal #2

- Support producing countries in de-commoditizing coffee through increasing returns programmes
  - In addition to main components of value
  - Trade deregulation is needed
  - As well as intellectual property management
  - Traceability standards
  - etc.
- ICO to act as facilitator and knowledge provider
- Particular focus on small-scale growers and emerging / re-emerging producing countries

Possible actions:

1. Pull together common framework manual
2. Partnering with other governamental institutions and NGOs involved in agriculture

Actions and timing

March 8, 2012:
Committee discussion and presentation to Council of tentative program

March to September:
Feasibility study:
- Consultations with stakeholders
- Recruitment of partners
- Resource allocation
- Plan definition

From September Council meeting:
- Approval of plan by Committee and Council
- Programme kick-off
Thank you

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