



## INTERNATIONAL COFFEE ORGANIZATION

22 Berners Street • London W1T 3DD • United Kingdom  
Phone: +44 (0) 20 7612 0600 | Fax: +44 (0) 20 7612 0630  
info@ico.org | www.ico.org | @ICOCoffeeOrg

ANNUAL REVIEW  
2015 - 2016



INTERNATIONAL  
COFFEE  
ORGANIZATION

The International Coffee Organization (ICO) is the main intergovernmental organization for coffee, bringing together exporting and importing Governments to tackle the challenges facing the world coffee sector through international cooperation. Its Member Governments represent 94% of world coffee production and over 83% of world consumption. 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. It makes a practical contribution to the development of a sustainable world coffee sector and to reducing poverty in developing countries by:

- Enabling governments and the private sector to exchange views on coffee matters, market conditions and trends, and coordinate policies at high-level meetings.
- Promoting market transparency by providing a wide range of statistics on the world coffee sector.
- Developing coffee consumption and markets for coffee through innovative market development activities.
- Encouraging the development of strategies to enhance the capacity of local communities and small-scale farmers.
- Promoting training and information programmes to assist the transfer of technology relevant to coffee.
- Facilitating information on financial tools and services to assist producers.
- Providing objective and comprehensive economic, technical and scientific information on the world coffee sector.

## CONTENTS

2	Foreword by the Chairman of the Council
4	Overview by the Executive Director
6	The World Coffee Market
9	6 <sup>th</sup> Consultative Forum on Coffee Sector Finance
10	4 <sup>th</sup> World Coffee Conference
12	International Coffee Agreement 2007
13	International Coffee Day
14	Coffee development projects
17	Cooperation with other agencies
18	Promoting consumption
19	Private sector cooperation
20	Strategic Review of the ICO
21	Economic studies
24	Statistics
24	Sustainability and partnerships
26	Library / Information services
27	Finance and Administration
28	Office holders

## FOREWORD BY THE CHAIRMAN OF THE COUNCIL



**H.E. Mr Iván Romero-Martínez  
Chairman of the Council**

As the Honduran Ambassador to the United Kingdom, it has been a great honour for me to serve as the Chairman of the International Coffee Council during coffee year 2015/16. This has been a year of great change for the Organization marked by a number of achievements.

Ethiopia, the birthplace of coffee, hosted the 4<sup>th</sup> World Coffee Conference this year. The 77 Member Countries of the ICO and over 900 attendees, including coffee growers and representatives from government, the private sector, and international agencies participated in the discussions related to the theme of the Conference, 'Nurturing coffee culture and diversity'.

The coffee community from Africa and around the world gathered in the Ethiopian capital for two days to engage in debate on a variety of topics ranging from sustainability, consumption trends, specialty coffee, climate change, farm productivity, gender equality and price volatility.

As the outgoing Chairman of the Council and the representative of Honduras to the United Kingdom and the ICO, I hope that Members and the Secretariat will consider the discussions that took place in Addis Ababa and use their outcomes to strengthen the work of the Organization. Public policy has a major role to play in tackling the challenges that the coffee sector faces, especially those that directly affect the millions of coffee farmers around the world.

The ICO has seen great changes in the global coffee market since the Organization was founded in 1963 and its role continues to be of great relevance to the coffee community. This is precisely why the work done this year on the Strategic Review of the Organization is so critical and important. During the September meeting, the Members of the ICO approved a plan to sharpen the strategic focus and define the priorities of the Organization better in order to provide adequate guidance to the Secretariat.

The Strategic Review outlines three key goals for the Organization: improving the collection, analysis, and dissemination of ICO statistics and analytics; increasing the quality, relevance and impact of the ICO as the forum and platform for private-public cooperation in the coffee sector; and positioning the ICO as the hub for the development of effective private-public partnerships for the implementation of coffee development projects and the promotion of coffee consumption.

I would like to commend the Secretariat for this very important work and offer my full support in coffee year 2016/17 as it develops the five-year Action Plan to achieve the three goals set out in the Strategic Review.

Coffee year 2015/16 also saw the celebration of the second annual International Coffee Day (ICD). After a successful launch in 2015, the Secretariat designed a campaign in 2016 aimed at increasing knowledge about the celebration on 1 October and encouraging independent businesses to host their own events on the day.

---

The ICD website and the logo were redesigned for the 2016 campaign. The website received more than 120 independent event submissions from more than 56 countries. Promotion for the campaign took place across social media with four short videos appealing directly to the industry to create and submit their ICD 2016 event details. The videos also targeted coffee consumers encouraging them to visit the website and celebrate the occasion. I would like to congratulate the Secretariat on the great work done for this campaign and provide my full support and encouragement for future celebrations.

To conclude, I would like to thank all Members of the ICO for the honour and pleasure of having served as the Chairman of the Council. I would like to offer my full support to Ms Tanya Menchi of the United States of America as she begins her tenure as Chairperson in coffee year 2016/17. Finally, I thank the Executive Director and the Secretariat for their support and dedication to the work of the Organization. Honduras and my team look forward to many more years of cooperation.

We were all shocked by the sad news of the death of our dear friend Robério Oliveira Silva, the Executive Director, in December 2016. I had a long and cordial relationship with Robério since his early years as the Secretary-General of the Association of Coffee Producing Countries until his appointment as the Executive Director of our Organization. I have had many opportunities to work closely with him to address the challenges of the coffee sector in my country, Honduras, as well as those facing the Organization. The coffee sector has lost a great asset and good friend. I would like to pay a special tribute to him. May his soul rest in eternal peace.

**Iván Romero-Martínez**

Ambassador of Honduras to the United Kingdom  
**Chairman of the International Coffee Council 2015/16**



## OVERVIEW BY THE EXECUTIVE DIRECTOR



**Mr Robério Oliveira Silva**  
Executive Director

One of the highlights of coffee year 2015/16 was undoubtedly the 4<sup>th</sup> World Coffee Conference which was held in Addis Ababa, Ethiopia, the birthplace of Coffee Arabica, from 6 to 8 March 2016, chaired by H.E. Mr Ato Teferra Derebew, Minister of Agriculture and Natural Resources of Ethiopia. An audience of over 900 coffee growers and representatives from governments, the private sector, non-governmental organizations and international agencies came together to focus on the theme 'Nurturing coffee culture and diversity'. The conference was honoured by the presence of H.E. Mr Hailemariam Dessalegn, Prime Minister of Ethiopia during the Opening Ceremony and H.E. Mrs Roman Tesfaye, First Lady of Ethiopia who addressed the audience prior to the panel on promoting gender equality. I would like to reiterate my thanks to the Government of Ethiopia and its Prime Minister.

Coffee year 2015/16 saw the establishment of a Working Group on the Strategic Review of the ICO aimed at maintaining the ICO's relevance in the coffee sector and allowing the Organization to adjust to an ever-changing coffee market. I am encouraged by the constructive spirit and enthusiasm shown by the Members of the Working Group in relation to improving the work of the Organization further and am confident that the development of a new five-year Plan will be completed by September 2017.

During coffee year 2015/16 the Organization held its 6<sup>th</sup> Consultative Forum on Coffee Sector Finance on the theme 'Global challenges and co-responsibility in the Coffee Sector'. The debates were organised through five panels including tackling challenges in coffee growing countries, socio-economic indicators, co-responsibility for climate change, international coffee prices and financial mechanisms for coffee growers.

Looking back at the market during coffee year 2015/16 price movements reinforced concerns about the profitability of growing coffee. Prices of all groups of coffee decreased in relation to the previous coffee year. The ICO composite indicator price fell by 10.9% while the prices of Colombian Milds, Other Milds, Brazilian Naturals and Robustas fell by 11.9%, 8.9%, 10.3% and 10.8% respectively. Such negative movement of prices is worsening the already critical financial situation of coffee growers. If coffee growers do not have a viable business, how are they going to continue to produce coffee and make improvements in the areas of social and environmental sustainability? The coffee sector is therefore experiencing considerable challenges.

In recent years, a broad consensus has been established that climate change is one of the biggest challenges to the future of the coffee sector. It is in this context that the Organization has been monitoring closely the debates of the international community by participating in the 21<sup>st</sup> Conference of the Parties (COP21) held in Paris in December 2015.

The year was marked by three sad events: the death of Mr Richard Kingsbury, the ICO's longest-serving interpreter, in March 2016. The second sad event was the death of Mr Alexandre Fontana Beltrão in Rio de Janeiro on 4 April 2016. Mr Beltrão was the longest-serving Executive Director of the ICO from 1 April 1968 to 30 September 1994 and the International Coffee

---

Council paid tribute to him for his outstanding contribution. Another sad event took place on 16 April 2016 when the Republic of Ecuador was hit by an earthquake with devastating effects as hundreds of people died and thousands were injured in the six affected provinces including coffee growing areas. I have called on the global coffee community to support the victims.

During the coffee year, I participated in meetings in Angola, Brazil, Colombia, Côte d'Ivoire, El Salvador, France and India where I advocated the relevance of the ICO and confirmed the support of the Organization to its Members.

On a personal note, I should like to express my appreciation for the confidence placed in me by Members in renewing my term of office until March 2019. I would also like to express my sincere gratitude to the staff of the Organization for their support throughout my first term of office; their dedication has been instrumental in the ICO's relevance and success. I am confident that their commitment will continue as I start a new term of office.

To conclude, I would like to thank the Chairman of the International Coffee Council, H.E. Mr Iván Romero-Martínez of Honduras as well as the Chairpersons of the ICO Advisory and Consultative bodies, for their work and collaboration over the past year.

**Robério Oliveira Silva**

International Coffee Organization

**Executive Director**

The contents of this Annual Review, including the overview by the Executive Director were approved by Mr Robério Oliveira Silva before the Christmas and New Year break. Unfortunately, it was his last professional act since he passed away on 30 December 2016 at his family home in Belo Horizonte, Brazil. Mr Silva's death at only 53 put an early end to a rich career.

He was born on 15 June 1963 in Pedra Azul, Minas Gerais, the son of Gabriel de Almeida Silva and Dilma Oliveira Silva. He is survived by his parents and two brothers. Mr Silva attended the Federal University of Minas Gerais in Brazil and graduated in Economics. He worked in both the public and private sectors, including the Ministry of Economy, and the Office of the President of Brazil before becoming Secretary-General of the Association of Coffee Producing Countries (ACPC) in 1994. Thereafter he worked for Brazil's Chamber of Foreign Trade, Ministry of Development, Industry and International Trade. Finally, he was Director of the Coffee Department at the Brazilian Ministry of Agriculture, Livestock and Food Supply in Brasilia before taking up his position as the 5<sup>th</sup> Executive Director of the Organization on 1 November 2011.

During his tenure at the ICO he increased the ICO's membership by 11 new Members and initiated discussions with several potential new Members. He stabilised the running costs of the Organization, so that Members' contributions have not increased for over five years. Mr Silva will be remembered for paving the way for a significant change of direction by commencing a wide ranging strategic review of the Organization's work. The world coffee community will profit from his legacy.



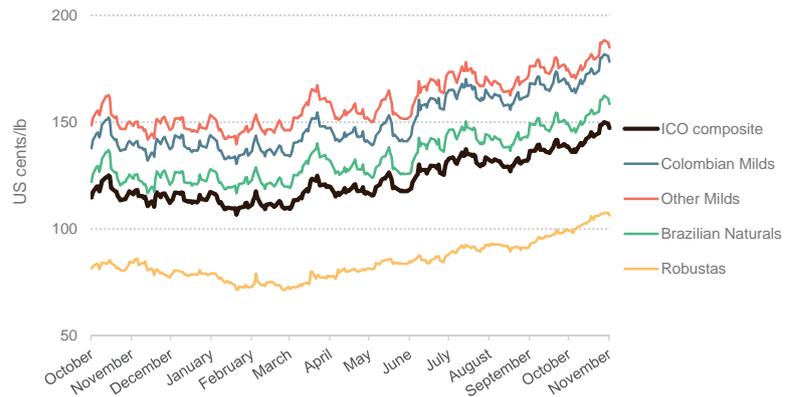
## THE WORLD COFFEE MARKET



### PRICES

The coffee market started 2015/16 at relatively low levels, but steadily improved from January onwards, registering six consecutive months of higher prices by July. The daily price of the ICO composite indicator hit a low of 106.74 US cents/lb in January, before recovering to reach a high of 151.69 cents by the end of the coffee year.

**Graph 1: ICO composite indicator daily prices**



The most significant growth was recorded in Robustas, which increased by 40% from a low of 71.5 cents in February to 99.96 cents on 29 September. The three Arabica groups also registered consistent growth between January and September, all groups hitting their highest monthly average in September. Furthermore, the Other Milds groups continued trading above Colombian Milds for the second consecutive year, reflecting the different availabilities of each group. The following table shows annual averages for the ICO indicator price for coffee years 2010/11 to 2015/16.

	ICO	CM <sup>1</sup>	OM <sup>2</sup>	BN <sup>3</sup>	ROB <sup>4</sup>
2010/11	204.98	280.75	267.97	235.11	107.46
2011/12	171.51	225.94	209.30	198.43	102.18
2012/13	129.32	160.61	150.12	134.98	99.05
2013/14	139.11	175.86	176.60	150.13	95.44
2014/15	138.23	171.23	177.41	149.32	94.32
2015/16	119.77	146.31	155.84	129.97	81.89
% change 2014/15 - 2015/16	-13.4%	-14.6%	-12.2%	-13.0%	-13.2%

<sup>1</sup> Colombian Milds

<sup>2</sup> Other Milds

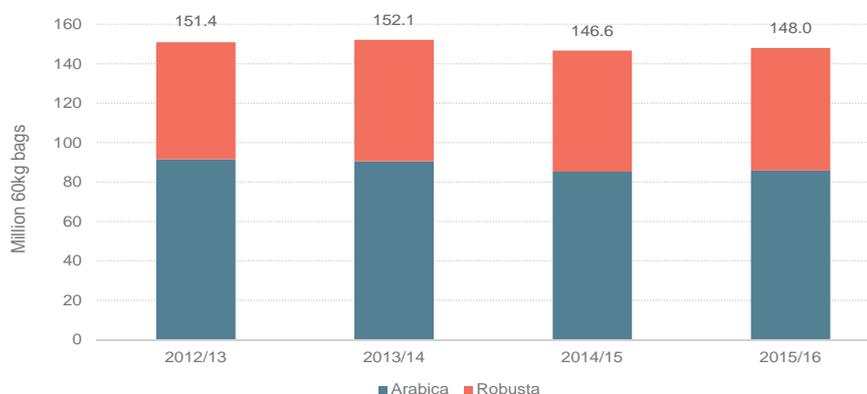
<sup>3</sup> Brazilian Naturals

<sup>4</sup> Robusta

## SUPPLY

Production reached 148 million bags in 2015/16, up 0.9% compared to last year but still lower than the two previous years. Arabica production was up by 0.7% to 85.8 million bags, while Robustas were estimated up 1.3% to 62.2 million. In the largest producer, Brazil, production for 2015/16 is estimated at 48.4 million bags, down by 5.3% compared to the previous year as the drought in 2014 reduced output, particularly of Robusta. Production in Vietnam was maintained at 27.5 million bags, up 3.8% on last year, while Colombia was higher at 14 million bags, its highest volume since 1992/93.

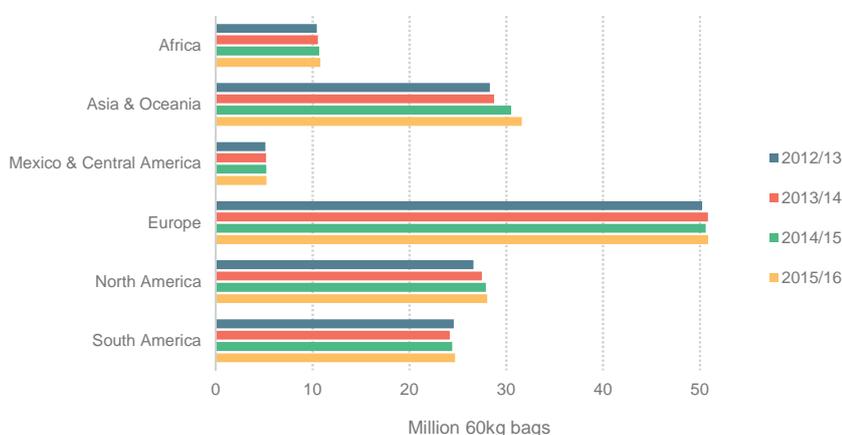
Graph 2: ICO group indicator daily prices



## CONSUMPTION

Global coffee consumption has continued to increase, reaching a record 151.3 million bags in coffee year 2015/16, representing an average annual growth rate of 1.3% over the last four years. By far the strongest growth rates have been found in Asia & Oceania, averaging 3.7% per annum, followed by North America (+1.7%) and Africa (+1.2%). More modest growth rates were recorded in Mexico & Central America (+0.8%), Europe (+0.4%) and South America (+0.2%).

Graph 3: Coffee production by continent





## INTERNATIONAL TRADE

Total exports in coffee year 2015/16 came to 111.8 million bags down by 0.7% on 2014/15. This is the second consecutive year in which exports have declined, following the record volumes set in each of the four previous years.

Exports of the three Arabica groups all increased year on year, with shipments of Colombian Milds, Other Milds and Brazilian Naturals up by 1.1%, 5.5% and 2.6% respectively, while Robusta exports were down by 6.9% to 40.8 million bags.

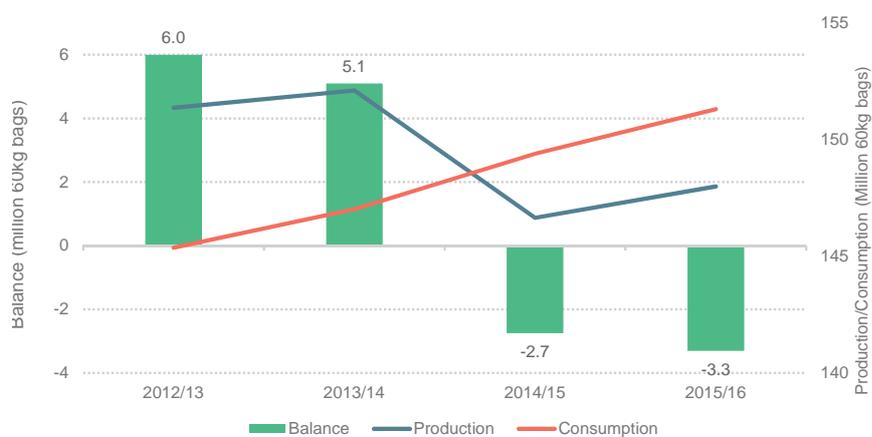
## BALANCE

As a result, we see a deficit in 2015/16 for the second consecutive year, with consumption exceeding production by 3.3 million bags. However, the market has remained well supplied by stocks accumulated during the surplus years of 2012/13 and 2013/14. Inventories in importing countries reached 24.2 million bags at the end of June 2016, their highest level since September 2009, which gives a buffer against any short-term supply concerns.

## PROSPECTS

Looking ahead, prospects for 2016/17 are currently mixed. Brazil is expected to harvest a significantly higher crop, currently estimated at 54.5 million bags. However, prospects for Robusta production are less positive, with weather affecting output in the three major producers Vietnam, Indonesia and Brazil. This is likely to result in a shortfall of Robusta production, which should continue to provide support to the market.

**Graph 4: World coffee production, consumption and balance**



## 6<sup>th</sup> CONSULTATIVE FORUM ON COFFEE SECTOR FINANCE

The 6<sup>th</sup> Consultative Forum on Coffee Sector Finance took place in London on 21 September 2016. The theme of the Forum was 'Global Challenges & Co-Responsibility in the Coffee Sector'. The Forum was chaired by Mr Juan Esteban Orduz, President and CEO of the Colombian Coffee Federation Inc. Participants discussed the challenges facing the coffee sector: in particular, the main question was whether coffee farmers alone are bearing the brunt of the costs to address these challenges or what can be done to distribute value and responsibility evenly across the coffee value chain. An exchange of views on this theme was organised through five panels.

The Secretariat launched the panel discussions by releasing its new study on the economic sustainability of coffee growing to provide a starting point to the experts and participants.

### **PANEL 1: TACKLING CHALLENGES IN COFFEE GROWING COUNTRIES**

Experts discussed the most important challenges that coffee communities face and how coffee growers cope with the situation. Lessons learnt from the experience of several producing countries, particularly Brazil, El Salvador, Vietnam and several African countries were presented.

### **PANEL 2: SOCIO-ECONOMIC INDICATORS**

The main question was the profitability of coffee farming as many farmers are becoming poorer with the current market conditions of low and volatile prices and high production costs. The panel concluded that it was important to establish socio-economic indicators of coffee farming.

### **PANEL 3: CO-RESPONSIBILITY FOR CLIMATE CHANGE**

How can we ensure that responsibility for adapting to and mitigating climate change is shared by all stakeholders in the value chain? It was noted that for the same effort farmers are receiving less income while climate change is putting massive pressure on them.

### **PANEL 4: INTERNATIONAL PRICES**

The most vulnerable to price volatility are farmers. Does the New York "C" Contract reflect market fundamentals or is it just a speculative tool? Are there other price discovery mechanisms that should be explored? Experts considered that in general the futures market is a good price discovery mechanism for mainstream coffee, but not for gourmet Arabica. The New York market does reflect the fundamentals as it is sensitive to the Brazilian supply of natural Arabica due to an important volume from this origin.

### **PANEL 5: FINANCIAL MECHANISMS FOR COFFEE PRODUCERS**

There are significant opportunities available to facilitate the provision of finance to smallholder coffee farmers. However, farmers are not accessing this facility due to high interest rates in some countries, and the high risk of lending to small scale farmers. How can one bring together private capital and public capital? The discussion concluded that one of the solutions would be to aggregate these farmers to gain more benefit from the financial sector. Cooperatives should have access to financial mechanisms which would allow them to manage market volatility and in turn benefit coffee growers.



Mr Juan Esteban Orduz  
Chairman of the 6<sup>th</sup> Forum



Speakers and moderators  
6<sup>th</sup> Forum

## 4<sup>th</sup> WORLD COFFEE CONFERENCE



H.E. Mr Teferra Derebew  
Minister of Agriculture and  
Natural Resources, Ethiopia



The 4<sup>th</sup> World Coffee Conference (WCC) was held in Addis Ababa, Ethiopia from 6 to 8 March 2016, with the theme 'Nurturing Coffee Culture and Diversity'. Over 900 participants took part, including Ministers, Ambassadors, and high-level dignitaries from across the world, along with representatives from the private sector, coffee farmers and academia.

The Conference was opened by H.E. Mr Hailemariam Dessalegn, Prime Minister of the Federal Democratic Republic of Ethiopia and comprised 7 panels on a variety of topics relating to the overall Conference theme, with 22 panellists and moderators speaking and discussing the state of the coffee sector.

The WCC was a joint effort of the public and the private sectors. Strongly supported by Ethiopia's leading coffee companies, the event was organised by the Ethiopian Ministry of Agriculture and Natural Resources and the ICO.

The first day of the Conference started with a review of the diverse culture of coffee across Latin America, Africa and Asia. The panellists also examined the challenges faced by the coffee sector which need to be addressed in order for coffee growers to achieve economic sustainability around the globe, and to maintain diversity in coffee culture.

The afternoon ended with a discussion of the development of coffee consumption worldwide and its future prospects, offering viewpoints from various geographical regions and market segments, and sought to determine whether the demand for coffee will continue to increase given the current global economic outlook.

During the second day of the conference the discussions moved from the global to the local level, from macro-trends to specific issues in the coffee sector. In the morning, a lively panel discussed the impact that the specialty coffee movement has had on the industry, particularly on farmers' income. Panellists offered viewpoints on the definition of specialty coffee and its future, specifically on how specialty coffee can continue to differentiate itself from mainstream coffee, which is increasingly adopting specialty coffee characteristics.



Delegates participating at the  
4<sup>th</sup> World Coffee Conference

---

During the lunch break many participants had the opportunity to explore the exhibition which comprised booths and displays celebrating the local coffee culture and included a demonstration of the coffee ceremony.

The afternoon saw two events on the impact of climate change on coffee production. An expert panel was followed by a side event hosted by the Coffee and Climate Change initiative. Panellists discussed concrete adaptation or mitigation measures which can be undertaken as climate change continues to be a major threat to coffee production. The session covered the latest research results and initiatives launched by the private and public sectors.

The debate continued with a panel on the role of innovation and public policy in increasing productivity. The speakers shared their views on the latest developments in research and innovative technologies which could contribute to increasing productivity and production. They also explored public policies in exporting countries which foster the adoption of modern farming techniques.

The WCC also provided a forum to discuss gender equality in the coffee sector. The question of how to ensure that female coffee farmers have the same access to resources and opportunities as their male counterparts was at the centre of the debate. In this session, panellists also presented potential solutions for reaping the rewards of female empowerment.

The Conference ended with an in-depth review of the issue of coffee price volatility. A panel consisting of researchers and industry specialists covered aspects such as the current market situation, specifically the prevailing low international prices, and considered the impact of both prices and price volatility on coffee farmers. The panellists agreed that coffee production is becoming more concentrated worldwide, with a small number of highly efficient producers dominating the market. This in turn could increase price volatility, as can be seen already in the cocoa market, and this trend is likely to be exacerbated by climate change.

As in previous years, the results of the World Coffee Conference provide some key implications for the future work of the ICO and more specifically for the Strategic Review that the Organization is undertaking at the request of its Members.

Specifically, as part of its statistics and economics function, the ICO can foster market transparency by increasing its capture, analysis and dissemination of statistical information. This will help both consumers and producers to adjust to market trends and mitigate price volatility. Via its forum function, the ICO is going to help disseminate information on best practices both within its Membership and beyond, in order to share examples of successful initiatives. The ICO has an important role to play in advocating for issues such as gender equality and youth engagement. Finally, through partnerships the ICO can play a crucial role in promoting coordination and collaboration between the public and private sectors.



**Mr Hussien Agraw**  
President of the Board  
Ethiopia Coffee Exporters Association



**H.E. Mr Wondirad Mandefro**  
State Minister of Agriculture and  
Natural Resources, Ethiopia

## INTERNATIONAL COFFEE AGREEMENT 2007



**H.E. Mr Claudio De la Puente**  
Ambassador of Peru  
**Mr Robério Oliveira Silva**  
Executive Director

The International Coffee Agreement (ICA) 2007, the seventh Agreement since 1962, entered into force on 2 February 2011 for a duration of ten years, with the possibility of an extension for a further eight years. The objective of the 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.

In March 2016, the International Coffee Council at its 116<sup>th</sup> Session discussed a possible review of the ICA as provided for in Article 48 of the Agreement. However, it was decided that the Strategic Review would cast light on whether or not the Agreement needed to be amended.

Over the course of coffee year 2015/16, the ICO membership increased to 77 Members (42 exporting Members and 8 importing Members, including the EU with 28 member States). Both the Democratic Republic of the Congo and Peru joined the Organization as exporting Members.

As for non-members, Nepal informed the Secretariat that its Parliament should have a final hearing on the International Coffee Agreement 2007 in late 2016. If everything proceeds as expected, Nepal will become a Member in time for the 119<sup>th</sup> Session of the International Coffee Council.

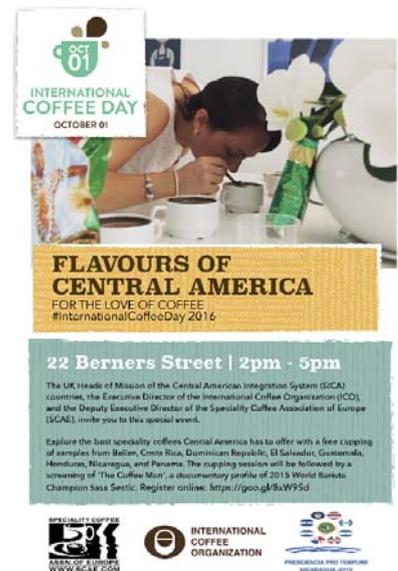


**H.E. Mr Hermano Telles Ribeiro**  
Permanent Representative of Brazil  
presenting his credentials to the ICO

The Lao People's Democratic Republic continues to be in regular contact with the Secretariat regarding its desire to become a Member. In June 2016 the Lao representative informed the Secretariat that the decision on accession to be made by the Ministry of Industry and Trade was still awaited. However, with the election of a new Prime Minister there was a new sense of optimism. There is an opportunity to bring coffee further up the government's agenda as the Prime Minister looks to expand the country's exports and become more involved in world affairs.

During the coffee year, the Executive Director has been in contact with the Republic of Korea about its intention to become a Member of the ICO under the ICA 2007. The representative of the Coffee Association of China is cooperating with the ICO to encourage its Government to become a Member.

At its 117<sup>th</sup> Session in September 2016, the International Coffee Council adopted Resolution 458 extending the deadline for the deposit of instruments of ratification, acceptance, approval or accession to 29 September 2017.



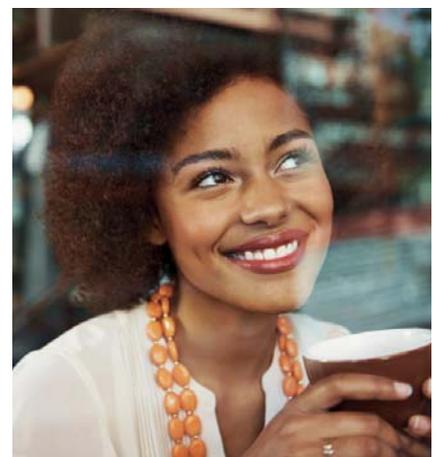
On 1 October 2016, the 77 Member countries of the ICO and dozens of coffee associations from around the world celebrated the second annual International Coffee Day (ICD).

The highly successful 2016 campaign positioned ICD as a truly global celebration of coffee’s journey from the farm to the cup with the slogan ‘For the love of coffee’.

As a means to reinvigorate and strengthen the ICD brand, the Executive Director informed the Promotion and Market Development Committee that a new logo had been designed in the four official languages featuring a coffee cup with coffee droplets, an emblem used throughout the marketing materials. In order to attract more attention from Internet and social media users, the new logo is animated.

The ICD website, redesigned for the 2016 campaign, received over 120 independent event submissions from more than 56 countries around the world. Promotion for the campaign took place across social media with four short videos appealing to the industry to create and submit their ICD 2016 event details. The videos also targeted coffee consumers encouraging them to visit the website and celebrate the occasion.

The campaign for ICD 2017 will continue the activities already undertaken in the previous two years and in particular will aim to increase alliances within the industry, including with coffee retailers.



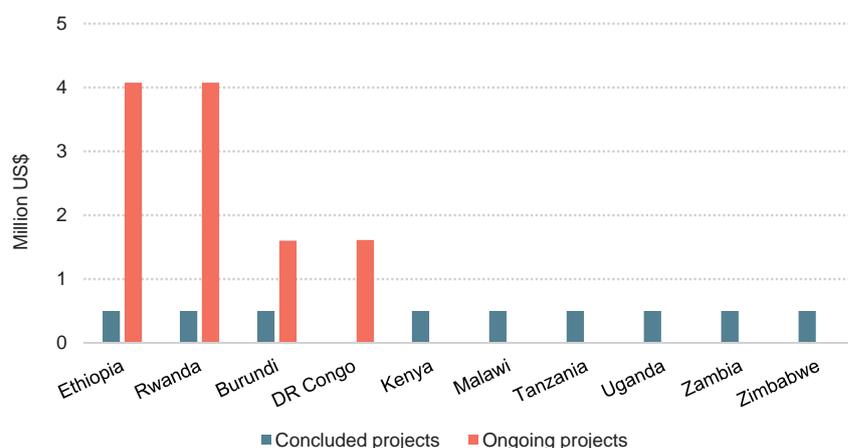
## COFFEE DEVELOPMENT PROJECTS



### INTRODUCTION

Notwithstanding the recent challenges of securing new funding, coffee sector development projects in Member countries remain one of the most important activities of the Organization. Since coffee year 1995/96 a close working relationship between the ICO, the Common Fund for Commodities (CFC) and other international development agencies has shown remarkably positive results as more than 38 projects totalling around US\$100.3 million have been funded to support Member countries in addressing critical issues such as coffee pests and diseases, quality improvement and market development. The CFC has provided approximately 50% of the funding while the rest has come from co-financing and counterpart contributions from bilateral and multilateral grant-providing agencies as well as from beneficiary countries.

### Project beneficiaries in coffee year 2015/16



### NEW PROJECT APPROVED BY THE COMMON FUND FOR COMMODITIES

During coffee year 2015/16 the CFC approved a project proposal entitled 'Empowering women and youth to participate in the coffee value chain through partnerships with a coffee roasting company and eco-tourism in Uganda'. The project designed under the new funding criteria of the CFC with the ICO's technical assistance aims to improve the standard of living of women and youth growing coffee through improved and sustainable production, value addition and marketing systems in Uganda. Its total cost is US\$760,000 including US\$120,000 from the CFC and US\$600,000 from the private sector. As required by the new project financing policy, the CFC and the ICO Secretariat are seeking to identify a development impact partner before organizing the launch of project activities.

### ONGOING PROJECTS

The ICO, as the designated Supervisory Body for CFC coffee projects, assists with monitoring the implementation of projects, which includes reviewing the attainment of objectives, identifying constraints and checking

expenditure. During coffee year 2015/16 the Secretariat continued to monitor and supervise three projects spanning four countries: the Democratic Republic of the Congo, Ethiopia and Rwanda, and Burundi.

### **Qualitative and quantitative rehabilitation of coffee with the aim of improving living conditions of coffee farmers afflicted and displaced by war in the Democratic Republic of the Congo (CFC/ICO/51)**

The four-year project aims to improve the living conditions of coffee farmers afflicted and displaced by war in the provinces of North and South Kivu. Funded mainly by the CFC through a grant, the project has a total cost of US\$1,611,447, which includes a grant of US\$668,990 from the CFC and US\$700,000 from the OPEC Fund for International Development. The Project Executing Agency, VECO, a Belgium NGO, contributed an amount of US\$242,457. The project was launched in March 2014 and is expected to end in February 2018.

### **Sustainable Credit Guarantee Scheme to promote scaling up of enhanced processing practices in Ethiopia and Rwanda (CFC/ICO/48)**

This project is designed to improve the livelihoods of small-scale coffee farmers in Ethiopia and Rwanda on a sustainable basis. This will be achieved by promoting the production of high quality coffee through the adoption of enhanced coffee processing practices. The high quality coffees will subsequently attract premium prices in the market, thereby translating into improved household income. Project activities carried out by CABI include the provision of credit to coffee farmers by commercial banks in Ethiopia and Rwanda with guaranteed collateral provided by the CFC. The project is expected to end during coffee year 2016/17.

### **Promoting a sustainable coffee sector in Burundi**

The broad objective of the project is to promote sustainable coffee production in Burundi. A sustainable coffee economy is based on the well-being of the various actors in the chain, particularly the producers who are the weakest link. The project seeks to improve the skills of smallholder coffee farmers in order to increase productivity and the quality of their coffee to generate profit, improve their living standards and continue farming coffee as a profitable business. The Kahawatu Foundation has been set up by the private sector to start the implementation of the project using the funds that have already been committed while continuing to raise additional funding to cover all project activities. The International Fund for Agricultural Development (IFAD) has given project offices to Kahawatu in Bujumbura. Since the project began in March 2014, the Foundation has secured two public-private partnership agreements to finance its activities.

### **PROJECTS PIPELINE**

There are three projects endorsed by the Council which are seeking funds for implementation.



**Delivery of equipment for the washing station in the Democratic Republic of the Congo**



**Enhanced processing practices in Rwanda**



**Distribution of coffee seedlings in Burundi**



**Revitalization of the coffee sector of Zimbabwe through enhancement of the coffee value chain:**

The purpose of the programme is to revitalise coffee production in Zimbabwe by supporting smallholder farmer groups. This will be achieved through a sustainable increase in coffee production, productivity, quality and profitability through enhancement of the coffee value chain in Zimbabwe. The total cost is US\$6,780,000.

**Improving the participation of women in the coffee value chain in Cameroon:**

The project aims to increase the income of women coffee farmers through building their capacity to market and process better. The total cost is US\$1,219,400.

**Promoting coffee sustainability through increases in productivity, with particular focus on the participation of young people and women in Cameroon and the Central African Republic:**

The project aims to support the efforts made by the two countries to revive and rehabilitate the declining coffee sector in order to boost their rural economies, generate income for coffee farming communities and reduce poverty among coffee farmers. Its total cost is US\$5,070,600.

**AFRICA COFFEE FACILITY**

With the technical assistance of the ICO Secretariat, the Inter-African Coffee Organisation (IACO) has submitted to the African Development Bank a proposal for the creation of a coffee development fund known as the 'Africa Coffee Facility'. The overall objective of the Facility is to improve the livelihoods of small-scale coffee growers and maximize the contribution of coffee to national economies by enhancing the competitiveness of African coffee through good agricultural practices, development of business skills, fostering of stronger linkages to markets and investment – transformation of the entire value chain – and promotion of knowledge capacity and favourable national policies. Following a stakeholders' workshop in Abidjan in April 2016, IACO's Secretary-General submitted the full proposal to the President of the Bank in August 2016. The total cost of activities under the Facility is estimated at US\$150 million for the first five years of its implementation.

**FUTURE OF THE ICO COFFEE DEVELOPMENT PROJECTS**

The future of coffee development projects depends on the results of the Strategic Review. Based on this, the Secretariat will prepare its strategy for effective private-public partnerships for projects and promotion. The plan will include maintaining cooperation with the CFC, cooperating with multilateral financial institutions for the establishment of coffee facilities as a means through which the challenges faced by a particular coffee producing region can be addressed. In addition, strengthening the Secretariat's capacity to engage effectively with donors interested in funding projects within the coffee sector is envisaged.

## COOPERATION WITH OTHER AGENCIES

Cooperation with other organizations on global coffee matters is an important element of the work of the ICO and includes representation at international coffee conferences as well as collaboration with intergovernmental and other organizations during Council Sessions. The Executive Director and senior ICO officials represented the ICO and made presentations on the world coffee market and related topics at a wide range of global coffee events:

- The Executive Director undertook two missions to Brazil in order to meet high level officials of the Brazilian Government and attend the Santos International Coffee Seminar held in Guarujá.
- The Head of Operations undertook a mission to Vietnam to attend the country's national consultation workshop in the framework of Vision 2020. She also met officials from the government and attended a meeting of the Vietnamese Coffee Coordination Board.
- The Chief Economist participated in Paris at the second awards ceremony of coffee roasted at origin organized by the Agency for the Valorisation of Agricultural Products (AVPA).
- The Senior Economist gave two lectures on coffee economics at the Georg-August-University of Goettingen as part of a Post-graduate course run by the Department of Agricultural Economics.
- The Executive Director spoke at the awards ceremony during the first Cafe de El Salvador Coffee Quality event held in San Salvador, El Salvador.
- The Executive Director and the Chief Economist participated in a workshop held in Abidjan, Côte d'Ivoire about the Africa Coffee Facility. The Facility is an instrument designed to finance coffee development project activities in Africa through the African Development Bank Group (AfDB). Following the workshop, the Secretary General of the Inter-African Coffee Organisation submitted the full proposal to the President of the Bank.
- The Executive Director met Dr Tedros Adhanom Ghebreyesus, Minister of Foreign Affairs of Ethiopia in Addis Ababa
- The Executive Director gave a keynote speech at the 6th Indian Coffee Festival about the challenges currently facing the industry such as access to finance, gender equality, young people's involvement in coffee farming, climate change and productivity.
- At the 21<sup>st</sup> Conference of the Parties (COP21) on the United Nations Framework Convention on Climate Change, held in Paris, France, the Executive Director gave a speech at the high-level segment of this Conference, raising awareness about the impact of climate change on coffee.



**The Executive Director met the Heads of State of Colombia and Honduras at the COP21 in Paris**



**H.E Ms Elisabeth Hayek-Weinmann Ambassador of El Salvador visits the ICO**



**H.E. Mr Hailemichael Aberra Afework Ambassador of Ethiopia visits the ICO**



Mr Robério Oliveira Silva  
IV IWCA Convention  
Bogota, Colombia

- The ICO hosted a side event on coffee and climate in the public area of COP21. During the event, four experts addressed different aspects of the climate change challenge. Members of the audience also had the opportunity to ask questions.
- The Executive Director held a meeting with H.E. Mr Juan Orlando Hernández, President of Honduras, and H.E. Mr Juan Manuel Santos, President of Colombia during the COP21 in Paris.
- At the Global Landscapes Forum which took place in Paris in parallel to COP21, the ICO collaborated with the organisation Hivos and the Hans R Neumann Stiftung Coffee & Climate to host an event entitled 'The role of agro-ecology in exploring innovative, viable adaptation measures for resilient smallholder coffee landscapes'.
- The Executive Director delivered the opening remarks at the 55<sup>th</sup> General Assembly of the Inter-African Coffee Organisation and the 3<sup>rd</sup> African Coffee Symposium, in Luanda, Angola.
- The Chief Economist delivered the opening remarks at the IV General Assembly of the Agency for Robusta Coffee of Africa and Madagascar (ACRAM), in Lomé, Togo.
- The Executive Director gave opening remarks at the IV IWCA Convention, in Bogota, Colombia which highlighted the important role that women have to play in the coffee sector.
- The interim Head of Operations attended the 39<sup>th</sup> International Hospitality Exhibition in Milan, Italy, to deliver a speech about the coffee market.

## PROMOTING CONSUMPTION



The ICO and the SCAE-UK Education Coordinators joined forces in 2015 to create a series of coffee education events at the ICO's conference facilities in London entitled 'The Coffee Sessions'.

The Coffee Sessions aim to promote interest in coffee quality, to improve standards and to shorten the distance between farmer, roaster, barista and consumer. These events also provide networking opportunities for professionals and consumers alike – an opportunity for the various disciplines to cross boundaries.

Three Coffee Sessions events took place in coffee year 2015/16, featuring experts on the topics of green coffee defects, sensory science and coffee roasting research.

The Private Sector Consultative Board (PSCB) met twice during 2015/16, chaired by Mr Leman Pahlevi of the Indonesia Coffee Exporters Association.

One of the main topics discussed was International Coffee Day, which had originated as a proposal from the PSCB to the Council.

At its March meeting, the Board heard presentations from the representative of the Specialty Coffee Association of America (SCAA) on the new SCAA Coffee Taster's Flavour Wheel, which had been developed in collaboration with World Coffee Research. This new wheel was based on a sensory lexicon developed by the coffee industry along with experts in sensory science, and was designed for ease of use by coffee tasters and cuppers.

At its September meeting, the PSCB heard two presentations. Firstly, from the representative of the Institute for Scientific Information on Coffee (ISIC) on the outcomes of the meeting of the International Agency for Research on Cancer (IARC), which had been held in France in May 2016 on the Evaluation of Carcinogenic Risks to Humans with regard to Coffee. The outcome of this meeting, that coffee was "not classifiable as carcinogenic to humans", was seen as very positive. IARC also found that drinking very hot beverages (over 65 degrees) was "probably carcinogenic to humans", but it was very unlikely that consumers would be able to drink coffee at such temperatures, which would scald the mouth and tongue.

The second presentation was from the Director of World Coffee Research (WCR) and the representative of the Crop Trust on 'A Global Conservation Strategy for Coffee Genetic Resources'. It was emphasised that there was a need to preserve the genetic diversity of coffee, but there was a lack of resources currently available to carry this out. WCR and the Crop Trust had carried out an assessment of the status of major coffee collections worldwide, and the results of this evaluation were very concerning: several germplasm collections were stored at the national level, but there was no mechanism for sharing and preserving these materials. It was hoped that Members would take this information back to their national governments and institutions to discuss the importance of this problem, and how the Global Conservation Strategy for Coffee Genetic Resources could become a means to mobilise available funding for countries interested in establishing a bilateral partnership with the Crop Trust and World Coffee Research.

Finally, the representative of the Chinese Coffee Association expressed its interest in increasing its participation with the ICO, and potentially joining the PSCB. This was warmly welcomed by the Board, and would be taken under consideration in the next round of nominations to the PSCB.



## STRATEGIC REVIEW OF THE ICO



Strategic Review meeting

At its 115<sup>th</sup> Session in Milan, Italy, the International Coffee Council adopted a Resolution which calls for a strategic assessment of the activities undertaken by the ICO.

In the course of coffee year 2015/16, in close consultation with a Working Group which was created specifically for this task, the ICO Secretariat has conducted the first phase of the Strategic Review.

The aim of this exercise was to sharpen the strategic focus and recommend priority areas for the Organization. This will allow it to become adaptable and be able to respond better to growing challenges in the coffee sector and an ever changing market environment. Furthermore, the outcome of this process will enable the ICO to align its activities with the emerging global political agenda established by the Sustainable Development Goals (SDGs).



Strategic Review workshop

Over several months the Secretariat implemented a comprehensive process which comprised a broad desk study, a comprehensive multi-stakeholder consultation process and a comparison with other International Commodity Bodies based in London. This process enabled the Organization to (i) evaluate the global context in which the ICO operates, (ii) review the progress achieved to date and resources used to implement the objectives of the ICA 2007; and most importantly, (iii) propose a set of recommendations to sharpen the strategic focus of the ICO.

As a result of the process it is recommended that in order to encourage the development of a sustainable and inclusive global coffee sector and contribute to the achievement of the SDGs, the ICO should focus on three areas: first, delivering world-class data, analysis and information to inform policy makers and industry; second, the Organization should use its convening power to provide a forum for dialogue between and within the public and private sectors; and third, the ICO should facilitate the development of projects and programmes through public-private partnerships. Details on the recommendations can be found in the Report of the Strategic Review of the ICO (ICC-117-15), approved by the International Coffee Council at its 117<sup>th</sup> Session in March 2016.

The recommendations derived from the first conceptual phase of the Strategic Review are the starting point for the development of a revised strategy which will enable the Organization to focus existing resources, strengthen operations, establish agreement around intended goals and outcomes, and assess and adjust the Organization's direction in response to a changing environment. A clear roadmap will be established in the form of the following strategies: data and analytics, Membership and third party engagement and effective private-public partnerships for projects and promotion. These strategies will enable the Organization to deploy its resources in order to steer its operations towards the revised and sharpened strategic objectives.

### **FUTURE COFFEE FARMERS – THE CHALLENGE OF GENERATIONAL CHANGE IN RURAL AREAS IN AFRICAN COUNTRIES (ICC-116-4)**

While in most coffee-producing countries smallholders are growing old, young people are increasingly less inclined to follow in their parents' footsteps and engage in coffee farming. This is problematic since rural youth is widely regarded as the potential driver of change in the agricultural sector as a result of their being better educated and more entrepreneurial than previous generations. Therefore, there is concern in the coffee industry that the lack of a new generation of young growers could affect the supply of high quality coffee beans.

The study sheds light on current and future economic and social factors which affect the attractiveness of coffee farming compared with alternative income generating activities in rural or urban areas. Geographically, the study focuses on sub-Saharan African countries which are disproportionately affected by the problem of ageing farmers. A number of constraints are identified which affect productivity levels and thus profitability, e.g. lack of access to finance, weak links to markets, and lack of modern farming skills. The resulting low and volatile farm income derived from coffee farming often translates into this livelihood having a low social status, especially in the eyes of the better educated and aspirational young people. Therefore, it is not surprising that farming is becoming less attractive for young rural dwellers.

Furthermore, the study describes how the lack of young people taking an interest in agriculture can have a negative impact on the sector. Youth is an important agent of change in rural areas which could drive modernisation of agriculture. As a result, young people are needed to increase the adoption of technological innovations and implementation of modern farming techniques which are crucial to increasing productivity in the coffee sector. This is particularly valid in view of new challenges faced by the sector such as climate change.

The study concludes with several recommendations on how to respond to the decreasing relative attractiveness of farming as a livelihood choice. The main goal should be to improve farm productivity with the aim of increasing the economic return. Specific attention should be given to removing obstacles and addressing challenges which disproportionately affect young people. Programmes which are designed to improve financial literacy among young people are an important step as modernisation of farms requires investment. As coffee is a tree crop with long investment cycles, it is necessary to provide farmers with tools to incur the upfront costs and with strategies to mitigate price risks. Finally, access to land for young people should be enhanced by facilitating farm succession and creating efficient rental markets.



Ageing farmer population





### **ASSESSING THE ECONOMIC SUSTAINABILITY OF COFFEE GROWING (ICC-117-6)**

Since March 2015 the ICO composite price has been consistently below the 10-year average of around 140 US cents/lb, raising concerns about the economic viability of coffee production and putting the livelihoods of coffee producers at risk in many countries. Prolonged periods of low prices strain liquidity and hamper investment necessary to increase yields and quality to meet future demand for coffee.

In order to inform the debate about ways to improve the economic viability, the ICO has conducted a study to understand and assess production costs, revenues and profits at country level (Brazil, Colombia, Costa Rica and El Salvador) using detailed data provided by Members, covering the period 2006/07 to 2015/16.

The results show that coffee production is not economically sustainable for many producers. Those who can make an operating profit often struggle to cover the costs of investment in renewal of plantation. This is particularly worrying in view of threats such as coffee leaf rust and the impact of climate change. An effective response requires significant investment in replanting of better adapted varieties.

Over the past decade, costs of production followed a consistent upward trend, whereas international prices varied significantly around a relatively constant mean. As a result, the profitability of coffee growing has on average eroded over the time period covered by the study. Reduced profitability over time could result in consolidation of coffee farms and/or disruption to coffee supplies, with some farmers choosing to abandon their crops.

The study shows that in order to improve the economic viability of coffee production, an increase in productivity, e.g. through more efficient use of fertiliser and new varieties as well as adoption of modern agronomic techniques with the aim of mitigating production risk are needed. Furthermore, price risk, e.g. stemming from coffee price volatility, should be addressed. Farmers require improved access to risk management tools with the aim of mitigating exposure to risk, and in order to strengthen resilience against inevitable shocks.

The study also highlights that some countries have developed effective policy responses to factors which affect the profitability of coffee farming. For example, Colombia responded successfully to the threat of coffee leaf rust, while Costa Rica has become a pioneer for measures to mitigate the impact of climate change in the coffee sector. There is scope for sharing these positive experiences between countries.

---

The study points out that more research is needed to understand the economic viability of coffee production worldwide, e.g. through expanding the analysis to a larger number of countries. Currently, research is hampered by data availability.

### **COUNTRY COFFEE PROFILE: EL SALVADOR**

In September 2015 Members requested that the Secretariat consider relaunching its coffee country profiles. Accordingly, work on coffee profiles was included in the Programme of Activities for coffee year 2015/16 and a set of guidelines was developed. The purpose of the guidelines was to assist Members in preparing the necessary information for the Secretariat and to ensure consistency. At its 116<sup>th</sup> meeting in Ethiopia, the Council approved the guidelines and the Secretariat invited Members that were interested in developing a profile for their country to contact the Executive Director. Demonstrations of interest were received from Cameroon, El Salvador, Germany, Ghana and Italy.

Close collaboration was established with the Salvadorian Coffee Council who worked tirelessly with the Secretariat to produce its coffee profile. As a result, in September 2016, Mr José Hugo Hernández, Executive Director of the Salvadorian Coffee Council, was able to present the profile to Members. He presented the main characteristics of the coffee industry in El Salvador, most notably that coffee is predominantly grown on small farms. He also highlighted the dramatic decrease in production as a result of prolonged low prices and an outbreak of coffee leaf rust.

Following the success of this first profile, the Secretariat plans to continue working with Members on the production of profiles for Cameroon and Ghana in the hope that they will be ready for the meetings in March 2017.



## STATISTICS



Compliance was the main topic on the Agenda of the Statistics Committee during the coffee year. With regard to exporting Members, it was noted that there have been improvements in the provision of statistical data with 76% full or satisfactory compliance. For importing Members, full compliance was achieved during the period under consideration.

The Secretariat has continued in its efforts to contact exporting Member countries regarding the provision of statistical data. A 'manual on compliance' for exporting Members is available on a USB memory stick from the Statistics Section. This 'manual' may also be viewed on the ICO website [http://www.ico.org/about\\_statistics.asp](http://www.ico.org/about_statistics.asp).

With reference to Resolution 420 on the Coffee Quality-Improvement Programme (CQP), the Organization monitored the results of Gradings on the Intercontinental Exchange (ICE) for Arabica and Robusta coffee. For 2015 exports of green coffee in compliance with the Resolution totalled 50.8 million 60-kg bags, compared with 68.8 million 60-kg bags in 2014.

The Secretariat conducted consultations on conversion factors for roasted, decaffeinated, liquid and soluble coffee. The matter was reviewed by the Statistics Committee and Members agreed to keep the conversion factors unchanged for another three years.

### STATISTICS ROUNDTABLE

The Statistics Roundtable did not meet during the coffee year but the matter did remain on the Agenda of the Statistics Committee. It was considered necessary to consult Members first and establish the best course of action in order to obtain timely and accurate statistical data. It was emphasised that statistics are one of the most important services that the ICO offers. The Roundtable will be re-convened in 2016/17 with a meeting scheduled for November 2016.

## SUSTAINABILITY AND PARTNERSHIPS

The past year saw two milestones in the global effort for sustainable development. Two months after the adoption of the Sustainable Development Goals (SDGs), in December 2015 the Paris Climate Agreement was adopted at the 21<sup>st</sup> Conference of the Parties (COP 21). These breakthrough agreements are likely to leave an imprint on the global political agenda in the years to come and will also impact the work undertaken at the ICO in the area of sustainable development.

A collaborative approach to foster a sustainable coffee sector is at the core of the ICO's mission. The ICO contributes to this goal by providing the forum for discussions of coffee matters and sector development between Governments and industry; the Organization advocates on specific topics such as climate change to highlight the needs of the global coffee community comprising all stakeholders along the value chain, from farmers to consumers.

---

To this end, in coffee year 2015/16, the ICO attended the COP 21 in Paris as an observer. The aim was to ensure that coffee was visible on the agenda for climate action. The Executive Director addressed the plenary meeting pointing out the threat climate change poses to the sector and showing ways to mitigate the impact of global warming on coffee farmers and consumers. The ICO also hosted two well attended side events: one at the COP 21, and a second at the Global Landscapes Forum. These interactive sessions gave the opportunity to long-standing partners of the ICO such as Hivos and Coffee & Climate to discuss, with the greater public, concrete steps to increase the coffee sector's resilience to the impact of climate change.

The ICO has also strengthened its engagement towards a sustainable coffee sector under the Vision 2020 framework which was set up under the 4C Association, an industry body which provided a voluntary entry-level standard for the coffee sector in order to address sustainability issues, and IDH, a body whose mission was to carry out large-scale PPPs and technical projects to support coffee producers. There has been an organisational change and the 4C Association and IDH have merged into a new entity, the Global Coffee Platform (GCP). The GCP has facilitated public-private dialogue in order to identify and address the needs of coffee farming communities effectively through the development of public private strategies, benefitting the coffee sector as a whole.

In the past year, considerable progress has been made, both conceptually working towards a global sustainability agenda and via successful joint workshops and projects in various countries. For example, the ICO together with GCP facilitated a comprehensive project on National Coffee Platforms (NCP) which are institutions bringing together representatives of the domestic coffee industry such as farmers and exporters, and the public sector. While often different in their institutional setup, these vehicles have proven to be effective in developing strategic objectives and tools in order to advance the domestic coffee sectors. To understand and reap the benefits of the NCPs, whilst aligning national coffee sector strategies with the SDGs, the ICO and the GCP as the joint Secretariat of Vision 2020, undertook a two phase consultation process consisting of (i) consultations in-situ in Brazil, Colombia, Indonesia, Tanzania, Uganda, and Vietnam; and (ii) a one-day workshop for international stakeholders hosted at the ICO's headquarters in September before the 117<sup>th</sup> Session of the International Coffee Council. During the workshops, relevant information on the institutional setup, success stories, and lessons learnt were gathered. Subsequently, the workshop in London provided a forum to exchange these country specific insights and to establish links between the NCPs to allow for learning and alignment towards the SDGs.

In the coming coffee year, the ICO will remain committed to its work in the area of sustainable development. Its participation in COP22 in Marrakech marks the first step.





The Library & Information Section is at the heart of the ICO. It supports the Organization in its mission to provide objective and comprehensive economic, technical and scientific information on the world coffee sector. The gathering, processing and dissemination of information are extremely important in the coffee community.

One of the duties of the Section is to organise group visits to the ICO. The Librarian gives lectures on coffee-related issues, the history of the Organization and the importance of the role played by the ICO within the world coffee sector. Lectures are followed by a Q&A session and an optional, fun coffee-related quiz, where visitors can test their knowledge about all aspects of coffee. This year's visitors came from SCAE-Italy (11 baristas & coffee shop owners), nine Brazilian coffee producers representing cooperatives from the states of Minas Gerais and Espírito Santo, a group of 57 law students from the Facultad de Derecho de ESADE (Universidad Ramon Llull, Barcelona, Spain) and 90 post-graduate students and staff from Coventry University, UK.

### **SPANISH STUDENTS IN THE ICO COUNCIL CHAMBER DURING THEIR VISIT IN JUNE 2016**



Library users in coffee year 2015/16 came from England and Wales, Brazil, Italy, Spain, Turkey and Uganda. Among researched subjects were the specialty coffee market, how to import Honduran coffee into the UK and world coffee with an emphasis on Arabica coffee.

The Library & Information Section has continued to expand and refine its operations to provide a full service to users, responding to new requests for information across a wide range of coffee-related subjects. Online requests for information continues to grow and have again exceeded 2,000 from all over the world.

Both online catalogue and physical collections are being processed to incorporate new materials as well as items acquired by the ICO prior to 1973.

The new ICO website, currently under construction, will have an exclusive, more dynamic Library & Information Services area in coffee year 2016/17.

The ICO employs 24 people of 12 different nationalities. It is financed by contributions from Member Governments who pay a contribution based upon their average coffee exports or imports. The total expenditure budget amounted to £2.9 million in 2015/16.

The ICO's headquarters have been based at 22 Berners Street, London W1 for over 45 years. However, the lease of the building expires on 31 March 2017 and the International Coffee Council took the decision to vacate the premises and search for a new location.

At the time of writing the Annual Review, alternative premises have been found at 222 Gray's Inn Road, London WC1. A Heads of Terms agreement, which sets out the most material elements of a new lease, has been signed with the landlord of 222 Gray's Inn Road. There are good grounds for optimism that a new lease will be finalised to enable the Organization to move to its new headquarters in early April 2017. This will also involve some refurbishment of the new premises, although every effort will be made to take as much furniture and equipment from 22 Berners Street to the new premises in order to keep refurbishment costs to a minimum.

The new premises are located approximately one mile to the east of the current premises: the nearest Underground stations are Chancery Lane, Holborn, King's Cross and Euston (where main line railway stations are also situated). Gray's Inn itself is one of the Inns of Court and is one of the primary office complexes for judges, barristers and other lawyers: it therefore represents a prestigious and convenient location for the ICO's activities. The new premises will not however house the Organization's conference facilities: indeed, one of the objectives in searching for new premises was to reduce the ICO's liability to property costs. The Organization will therefore hire such conference facilities on a commercial basis in future, although there may also be the opportunity to take advantage of an offer from another international organization based in London to use its conference rooms, which also possess the advantage of being able to offer interpretation facilities.

The ICO has been undertaking a revision of its Staff Regulations and Staff Rules which have not been updated for several years. The European Union financed the work of a Human Resources professional to review the existing Regulations and Rules and to make substantial suggestions for amendment. The revised document was reviewed by the Executive Director and members of staff and a Working Group, which is open to all Members, was established to finalise the document. One meeting of the Working Group was held in late 2016 and a further meeting will be held early in 2017. It is hoped that a final document will be discussed at the next meeting of the Finance and Administration Committee and the International Coffee Council in March 2017.



## OFFICE HOLDERS



### **International Coffee Council**

**Chairman:** H.E. Mr Iván Romero-Martínez (Honduras) ▪ **Vice-Chairperson:** Ms Tanya Menchi (USA)

### **Finance and Administration Committee**

**Chairperson:** Ms Amy Diggs (USA) ▪ **Vice-Chairperson:** Mr Felipe Robayo (Colombia)  
**Exporting Members:** Bolivia, Colombia, India, Indonesia, Mexico, Uganda  
**Importing Members:** EU, Japan, Russian Federation, Switzerland, USA

### **Projects Committee**

**Chairman:** Mr Primus Kimaryo (Tanzania) ▪ **Vice-Chairman:** Mr Conradin Rasi (Switzerland) ▪ **Exporting Members:** Bolivia, Cameroon, Colombia, Costa Rica, Guatemala, India, Indonesia, Tanzania ▪ **Importing Members:** European Union, Switzerland, USA

### **Promotion and Market Development Committee**

**Chairperson:** Ms Vera Espíndola Rafael (Mexico) ▪ **Vice-Chairperson:** Ms Amy Diggs (USA) ▪ **Exporting Members:** Bolivia, Colombia, Côte d'Ivoire, El Salvador, India, Indonesia, Kenya, Mexico ▪ **Importing Members:** European Union, Switzerland, USA

### **Statistics Committee**

**Chairman:** Mr Piotr Krawczyk (EU-Poland) ▪ **Vice-Chairman:** Vacant ▪ **Exporting Members:** Bolivia, Colombia, El Salvador, Gabon, Ghana, India, Indonesia, Nicaragua ▪ **Importing Members:** European Union, Switzerland and the USA

### **Consultative Forum on Coffee Sector Finance**

**Chairman:** Mr Juan Esteban Orduz (Colombia) (also Chairman of Core Group)  
**Vice-Chairman:** Mr Ödön Pálla Sagues (EU-Spain)

### **Core Group on the Consultative Forum**

**Exporting Members:** Bolivia, Colombia, Costa Rica, Côte d'Ivoire, Ethiopia, Uganda ▪ **Importing Members:** EU, Russian Federation, Switzerland, USA ▪ **Ex-officio Member:** Executive Director ▪ **Assisted by:** Chairman of PSCB, and four advisors: Ms Noemí Pérez (Fast), Mr Roy Parizat (World Bank), Mr Silas Brasileiro (Conselho Nacional do Café, Brazil) and Mr Nicolas Tamari (Sucafina SA)

### **Private Sector Consultative Board (PSCB)** (alternates in italics)

**Chairman:** Mr Leman Pahlevi (GAEKI) ▪ **Vice-Chairman:** Mr Ramaz Chanturiya (Rusteacoffee) ▪ **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), Specialty Coffee Association of Panama (SCAP) **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), Coffee Association of Canada (CAC), European Coffee Federation (ECF), Institute for Scientific Information on Coffee (ISIC), National Coffee Association of USA (NCA), Russian Association of Tea and Coffee Manufacturers (Rusteacoffee), Specialty Coffee Association of America (SCAA), Speciality Coffee Association of Europe (SCAE)

# Our Members



## Exporting Countries

Angola • Bolivia • Brazil • Burundi • Cameroon • Central African Republic  
Colombia • Costa Rica • Côte d'Ivoire • Cuba • Democratic Republic of the  
Congo • Ecuador • El Salvador • Ethiopia • Gabon • Ghana • Guatemala  
Honduras • India • Indonesia • Kenya • Liberia • Madagascar • Malawi  
Mexico • Nicaragua • Panama • Papua New Guinea • Paraguay • Peru  
Philippines • Rwanda • Sierra Leone • Tanzania • Thailand • Timor-Leste  
Togo • Uganda • Vietnam • Yemen • Zambia • Zimbabwe



## Importing Countries

European Union (Austria • Belgium • Bulgaria • Croatia • Cyprus • Czech  
Republic • Denmark • Estonia • Finland • France • Germany • Greece  
Hungary • Ireland • Italy • Latvia • Lithuania • Luxembourg • Malta  
Netherlands • Poland • Portugal • Romania • Slovakia • Slovenia • Spain  
Sweden • United Kingdom) • Japan • Norway • Russian Federation  
Switzerland • Tunisia • Turkey • United States of America

# International Coffee Agreement 2007

Exporting Members	Date of Deposit	Exporting Members	Date of Deposit
Angola	22 September 2009	Liberia	6 October 2009
Bolivia, Plurinational State of	10 April 2012	Madagascar	26 November 2014
Brazil	2 February 2011	Malawi	18 July 2012
Burundi	21 September 2009	Mexico	8 April 2010
Cameroon	17 September 2012	Nicaragua	12 August 2009
Central African Republic	24 August 2010	Panama	12 March 2009
Colombia	2 December 2008	Papua New Guinea	6 November 2009
Costa Rica	11 December 2009	Paraguay	21 August 2013
Côte d'Ivoire	15 October 2008	Peru	14 December 2015
Cuba	4 December 2008	Philippines	29 March 2011
Democratic Republic of the Congo	14 December 2015	Rwanda	17 May 2012
Ecuador	30 September 2008	Sierra Leone	5 May 2011
El Salvador	4 December 2008	Tanzania	22 September 2009
Ethiopia	8 July 2010	Thailand	4 August 2009
Gabon	25 February 2009	Timor-Leste	5 January 2009
Ghana	17 August 2009	Togo	21 September 2010
Guatemala	23 March 2011	Uganda	1 March 2010
Honduras	7 June 2010	Vietnam	28 August 2008
India	22 September 2008	Yemen	14 July 2010
Indonesia	5 February 2009	Zambia	3 August 2011
Kenya	22 May 2008	Zimbabwe	24 May 2012

## Membership as at 30 September 2016

42  
Exporting Members

8  
Importing Members

## Importing Members

Importing Members	Date of Deposit
European Union	17 June 2008
Japan	23 July 2015
Norway	21 September 2010
Russian Federation	24 April 2015
Switzerland	11 September 2009
Tunisia	21 September 2010
Turkey	28 March 2011
United States of America	28 August 2008

## Signatory Governments

Signatory Governments	Date of Signature
Benin	23 September 2009
Guinea	2 July 2008
Nigeria	21 July 2008