



**Decisions and Resolutions adopted
at the 122nd Session of the
International Coffee Council**

17 – 21 September 2018

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Item 1: Opening of the Council

1. The 122nd Session of the International Coffee Council was formally opened by the Chair, H.E. Mr Aly Touré of Côte d’Ivoire¹. The Session took place at the International Maritime Organization (IMO) in London from 17 to 21 September 2018.

2. The Secretary-General of the IMO, Mr Kitack Lim, gave the opening address² to welcome ICO Members to the IMO Headquarters. He emphasised the link between the two Organizations, including latest figures, which suggested that over 70% of world coffee production was exported, and that every year the equivalent of 342,000 20ft containers, on average, were shipped from more than 50 producing countries. While the ICO was focusing this year on Sustainable Development Goal 5 with the theme of gender equality and the role of women in the coffee industry, next year the IMO had selected ‘Empowering Women in the Maritime Community’ as the theme for World Maritime Day. In 2019, the ICO would be focusing on climate change, and environmental issues were always high on the IMO’s agenda. Mr Lim closed by emphasising the importance of increased communication and collaboration between the shipping industries and specific trades to enhance efficiency and sustainability, and looked forward to closer collaboration between the International Coffee Organization (ICO) and the IMO.

3. The Regional Director of the UN Women for the Americas, Ms Luiza Carvalho, made a presentation³ focusing on the importance of coffee for sustainable development and gender equality, especially in relation to rural women. Ms Carvalho joined all the participants in congratulating the ICO for pursuing gender equality in the coffee sector in line with Sustainable Development Goal 5. Evidence showed that where women shared decision-making with men, and where they had access to the resources that allowed them to contribute fully to the development of their households and communities, they created better futures for themselves, their families, and consequently for the coffee industry. The World Bank estimated that among all people depending on coffee around the world, 25 million were coffee farmers and a vast majority were women. However, women earned less income, owned less land, controlled fewer assets, had less access to credit and market information, faced greater difficulty obtaining inputs, and had fewer training and leadership opportunities. These obstacles faced by women, added to the day-to-day struggles faced by all people working in the coffee industry due to the effects of climate change, pest-related diseases, or the contexts of political instability and conflict – all disparities that created inefficiencies in the coffee value chain. Thanks to its profile, the coffee industry had a

¹ *The Statement of the Chair of the Council was subsequently circulated as document [ICC-122-14](#).*

² *Subsequently circulated as document ICC-122-13.*

³ *Subsequently circulated as document [ICC-122-17](#).*

tremendous opportunity to minimise the gender gap in agriculture to the benefit of the whole coffee value chain. Ms Carvalho closed her presentation by stressing that UN Women stood ready to support the ICO's efforts to promote measures to achieve measurable and visible changes in the coffee chain, which was not only good for women, but also for the world.

4. Ambassador Aly Touré from Côte d'Ivoire and Chair of the International Coffee Council, stressed the many challenges facing the coffee sector today, and called on all Members of the ICO and partner organizations to act now to address the issue of low prices, which was having a detrimental effect on coffee farmers. To address not only the short- and medium-, but also the long-term challenges facing the coffee sector, Ambassador Touré emphasised the value in opening the Organization up to wider partnerships and collaboration. He hoped that the fact the Council Session was held at the IMO was the starting point for closer collaboration between the IMO and other key partners, such as UN Women. It was also encouraging to see the ICO was opening up to wider collaboration and partnerships, especially with donor agencies and international organizations, as well as the private sector, and it was heartening to see during the week so many diverse participants from across governments, the private sector and civil society. He urged the ICO and the coffee sector as a whole, to continue to innovate and to adapt to the challenges facing the global coffee sector, and for coffee to have a strong future it needed not only strong women, but also a strong ICO.

5. Mr Gerardo Pataconi, the ICO's Head of Operations, on behalf of the ICO's Executive Director, Mr José Sette, extended a warm welcome to all delegates and their sincere gratitude to the IMO for generously providing the venue for the Session. He indicated that reducing the gender gap in the coffee value chain would not only have a crucial social and economic impact, but also increase the supply of higher quality coffee. The effect of low prices had a detrimental impact on all producers, but especially women, as they were often the most vulnerable in the coffee value chain. He emphasised that the ICO, bringing together exporting and importing countries, governments and private businesses, experts and practitioners, academia and international organizations, was here collectively to tackle the challenges facing the world coffee sector through international cooperation, particularly the issue of low coffee prices. Given current price levels, an open and wide-ranging debate on the state of the world coffee market was desirable. Time had therefore been set aside for such a discussion during the week. In the past month, the Organization had been assessing the situation, analysing data and trends, and had identified causes and possible actions within the ICO's mandate. The Head of Operations closed his presentation with a quote from Henry Ford: "If everyone is moving forward together; then success takes care of itself."

Item 2: Adoption of the Agenda

6. The Council adopted the draft Agenda contained in document [ICC-122-0 Rev. 1](#), save for a request to bring forward the discussion on prices, currently under Item 10, to follow Item 4 later that day. Concern was voiced by Members, particularly from coffee-producing countries, about the current low coffee prices below the threshold of 1 USD/lb, jeopardizing the livelihood of 25 million coffee farmers. The crisis could force coffee farmers to abandon coffee production, switch to growing illicit crops, or aggravate already dramatic migration flows, adding to growing concerns about the sustainability of future coffee supply on top of the expected negative impact of climate change.

Item 3: Admission of observers

7. The Head of Operations introduced Annex I of document [ICC-122-3](#) containing a list of observers approved by the Council for admission to Sessions in 2017/18, who had advised the Executive Director of their attendance and the meetings they wished to attend. The Council decided that the observers should be accepted for admission to the 122nd Session and to Committees which were open to observers, except for items relating to finance and administration which should be restricted to Members only. Annex II of the same document contained a list of observers who had been admitted to previous Sessions. It was suggested that these observers also be admitted to sessions in 2018/19.

8. The Council approved document ICC-122-3 on admission of observers.

Item 4: Votes

Item 4.1: Redistribution of votes for coffee year 2017/18

9. The Council took note of the situation of outstanding payments affecting voting rights as at 15 September 2018 contained in document [ICC-122-1 Rev. 3](#) and stressed the importance of prompt payment of contributions by Members, so as not to impact on the operational capacity of the Organization.

Item 4.2: Initial distribution of votes for coffee year 2018/19

10. Paragraph (6) of Article 12 of the ICA 2007 provided that the distribution of votes should be determined by the Council at the beginning of each coffee year. Under the provisions of Article 12, the votes of exporting and importing Members were based on their exports and imports respectively in the preceding four calendar years. Tables 1 and 2 of document [ICC-122-2](#) contained the statistical basis for the proposed distribution of votes.

11. The Council approved document [ICC-122-2](#) on the initial distribution of votes.

Item 5: Progress in relation to the Five-Year Action Plan

Item 5.1: ICO activities for coffee year 2017/18

12. The Head of Operations presented an update on the work of the ICO Secretariat over the current coffee year, including actions to explore and address current low coffee prices. A detailed market report had been prepared and would be discussed under Item 8 of the Agenda. He stressed that as an Organization, the ICO was there to support Members to find solutions to the challenges facing the coffee sector. To address the impact of low coffee prices in the past, the Council had adopted two resolutions – in 2002 and 2004, and the Organization was already analysing if this was the right solution for action today. To provide the right information, the Organization was working with Members and the Statistics Roundtable to ensure its statistical data was of a higher equality, looking at trends in consumption and analysing prices. The 8th Consultative Forum on Coffee Sector Finance later that week would be exploring some of the solutions, such as insurance schemes to shield farmers from the impact of volatile prices, as well as wider technological innovations.

13. The ICO had established partnerships with a number of key bodies, including the Global Coffee Platform, a collaboration that had already borne fruit with the approval and funding of a joint project to establish sustainability indicators to support coffee farmers. A Memorandum of Understanding signed with the Sustainable Coffee Challenge in April 2018 had already seen the publication of a guide to support Members to attract funding from the Global Environment Facility. A proposal to forge a closer alliance with the International Women’s Coffee Alliance was also due to be considered by Council under Item 7 to support the empowerment of women, who were often the most vulnerable and worst affected by the impact of low prices. Such alliances would also be explored with UN Women, and collaborative efforts were already being explored with other international commodity bodies.

14. In response to calls by Members for support for funding, the ICO’s Donors Forum and Partnership Fair would bring together key institutions, such as the United Nations Development Programme, International Fund for Agricultural Development, the European Commission and United Nations Industrial Development Organization, to address the challenges and provide support to coffee-producing countries on a short-, medium- and long-term basis. From an operational perspective, the Organization had introduced improvements to the support provided to office holders, and the introduction of key performance indicators – the only international commodity body to have such a system – would allow Members to monitor the progress of activities.

15. The Council took note of the report.

Item 5.2: ICO Report on gender equality in the coffee sector

16. Due to lack of time, the ICO's report *Gender equality in the coffee sector* contained in document [ICC-122-11](#) was presented in the ICO's Thematic Workshop: Women in Coffee later that day.

Item 6. National coffee policies

17. H.E. Dr Le Quoc Doanh, Vice Minister of Agriculture & Rural Development of Vietnam made a statement on the national coffee policy in Vietnam⁴ and expressed his country's interest in hosting a future session of the International Coffee Council.

18. The Council noted the statement.

Item 7: Cooperation with other agencies

Item 7.1: Cooperation with other agencies

- ICO-led meeting of International Commodity Bodies (ICBs)

19. The Executive Director reported that the ICO had hosted the International Commodity Body Forum 2018 on 29 May, attended by representatives from the International Cocoa Organization, International Grains Council, International Sugar Organization, International Rubber Study Group, International Zinc and Lead Study Group, International Nickel Study Group, International Copper Study Group and the International Cotton Advisory Committee. As an opportunity to learn from each other, the day's discussion centred on strategic focus and priorities, administrative issues, communications and engagement and steps for further cooperation. In certain respects, the ICO was further advanced than some of its sister bodies, such as with the introduction of key performance indicators and revision of staff rules and regulations. However, there were also opportunities to learn from other ICBs, especially the generation of income from sources other than Member contributions, such as through events, publications and statistics. Another Forum would be scheduled in 2019, and work had already begun on a benchmarking exercise to identify areas for further collaboration.

20. The Council noted the report.

⁴ Subsequently circulated as document [ICC-122-22](#).

- Common Fund for Commodities-led meeting with ICBs

21. On 30 May a meeting dedicated to presentations organised by the Common Fund for Commodities was held, with the ICO and other ICBs and funding agencies. With a focus on new financial instruments, some of which were explored in the 8th Consultative Forum on Coffee Sector Finance, this event was a productive and encouraging opportunity to build closer collaboration with partner organizations and explore new financing mechanisms.

22. The Council noted the report.

- Cooperation with bilateral and multi-lateral organizations

23. The Head of Operations provided an update on activities to build and re-build links with key development players to support to the coffee sector. In response to the priorities set out in the International Coffee Agreement 2007 and the Five-Year Action Plan, the Organization was working actively to provide access to development funding. Links had been re-established with a number of UN Organizations, some of which had participated in the ICO's Donors Forum and Partnership Fair, including the United Nations Development Programme, International Trade Centre, United Nations Conference on Trade and Development, United Nations Environment Programme, United Nations Industrial Development Organization, Food and Agricultural Organization and the International Atomic Energy Agency – all with the clear purpose to identify and support funding opportunities, including emergency grants. Earlier in the week, 11 donor organizations from bi-lateral organizations – such as the Japan International Cooperation Agency, Deutsche Gesellschaft für Internationale Zusammenarbeit, Italian Ministry of Foreign Affairs and International Cooperation, International Fund for Agricultural Development and Conservation International – had presented case studies on how they had supported the coffee sector in a number of countries, as well as identifying opportunities for addressing key issues such as gender empowerment and the impact of low prices. As a result of the level of interest from this interaction, the ICO would produce a new guide to clarify what agencies existed, what funding opportunities for coffee were available and how to access the funding. The Head of Operations stressed that the ICO was committed to supporting Members to develop projects, facilitate access to funding and act as the monitoring body for the successful execution of development projects.

24. The Council noted the report.

Item 7.2: Report on the implementation of Memorandums of Understanding (MoUs)

- MoU with the Global Coffee Platform (GCP), including the implementation of the Delta Project

25. Mr Carlos Brando, Chair of the Global Coffee Platform, reported that since signing the MoU with the ICO in September 2017, both parties had already set in train a number of collaborative initiatives, including:

- The Delta Project: Bridging the Gap in Measuring Real-Time Sustainability Performance – a joint project with the Better Cotton Initiative and the International Cotton Advisory Committee, which had received financial support from the ISEAL Innovation Fund, to create a sustainability indicator framework to measure progress towards the Sustainable Development Goals, and trigger the development of value-adding services for farmers.
- ICO participation in Collective Action Networks.
- A joint webinar on 1 October ‘Gender: From Research to Commitment to Action’, including speakers from the International Women’s Coffee Alliance and the Partnership for Gender Equity, to highlight the gender gap in the coffee supply chain and how to effectively address these gaps through collaboration.
- The ICO as a Global Event Partner, including participation in the Global Coffee Sustainability Conference and Country Platform Exchange in Brazil on 8-10 November, and a Joint Sustainability Seminar during the 124th Session of the International Coffee Council in Kenya from 25-29 March 2019.

26. The Council noted the report.

- MoU with the African Fine Coffees Association (AFCA)
 - Mr Ishak Lukenge, Chairman of the African Fine Coffees Association, updated Members on the following outcomes from the MoU with the ICO signed in September 2017 including:
 - An ICO statistical workshop for African countries would be hosted in Kigali, Rwanda in February 2019.

- A number of coffee profiles on African countries had been prepared including on Ethiopia, Kenya, Rwanda, Tanzania and Uganda. Country profiles on Burundi, Cameroon, the Democratic Republic of Congo and Malawi were in development.
- ICO participation in AFCA events, including the 17th African Fine Coffee Conference and Exhibition from 13-15 February 2019 – providing opportunities for delegates from African countries to meet with the ICO and explore potential future membership.

The Council noted the report.

- MoU with the Sustainable Coffee Challenge, under the auspices of the Conservation International Foundation

27. Mr Niels Haak, Senior Manager Sustainable Coffee at Conservation International, introduced the following key areas for collaboration in the MoU with the ICO, formally signed in April 2018:

- Improving collection, exchange, integration and dissemination of key data on coffee.
- Disseminating information, technical expertise and lesson-sharing.
- Showcasing and tracking government-led sustainability efforts.
- Embracing and promoting the common ‘Sustainability Framework’ in contribution to Vision 2030.
- Exploring opportunities to develop new income sources for coffee farmers through innovative finance.

Since April, collaboration between both organizations has manifested already in the:

- ICO contribution to Collective Action Networks, including the identification of innovative ways to map and monitor the extent of coffee and forests and how this was changing over time.
- Participation in the 8th Consultative Forum on Coffee Sector Finance.

- Appointment of Conservational International as an accredited observer to the International Coffee Council.
- Invitation to the ICO's Executive Director to be an observer to Conservation International's Advisory Council.
- Collaboration on the development of the *Guide to Access Green and Climate Funding for the Coffee Sector: The Global Environment Facility (GEF)*.

28. The Council noted the report.

**Item 7.3: Guide to Access Green and Climate Funding for the Coffee Sector:
The Global Environment Facility (GEF)**

29. The Head of Operations reported on the *Guide to Access Green and Climate Funding for the Coffee Sector: The Global Environment Facility (GEF)* contained in document [ICC-122-9](#). Developed in collaboration with the Sustainable Coffee Challenge, this new ICO Guide sought to assist governments of coffee-producing countries to access Global Environment Facility (GEF) funding in order to address coffee sector challenges. The GEF, in its new four-year replenishment cycle GEF-7 with an allocation of US\$4.1 billion, included coffee in the list of commodities eligible for funding. GEF-7 thereby provided an invaluable opportunity for countries to prioritise investments in development programmes that would not only enable sustainable coffee production, but also have a positive impact on nature conservation, as well as on the livelihoods of coffee-producing communities.

30. The Council noted the report.

Item 7.4: New MoU

- International Women's Coffee Alliance

31. Members were invited to consider a proposed Memorandum of Understanding (MoU) between the ICO and the International Women's Coffee Alliance (IWCA) contained in document [WP-Council 292/18](#). The aim of the partnership was to promote women empowerment and inclusion as a means of achieving sustainable development through social and economic progress in coffee-producing countries while protecting natural resources. Ms Kelleman Emanuele, President of the IWCA, emphasised key work areas included identifying opportunities to incorporate gender distinctions into data collection, and to foster inclusion and engagement with results-driven leaders.

32. The Council approved the Memorandum of Understanding between the ICO and IWCA as set out in document [WP-Council 292/18](#)⁵.

33. Ms Emanuele was then invited to sign the MoU, along with the ICO's Executive Director. Members congratulated both the ICO and IWCA for forging this partnership to empower women in the coffee sector, a crucial factor in fostering sustainable development. It was also recommended that in the future, panels at ICO events should have a wider gender balance.

Item 8: Coffee market situation

34. The Executive Director gave a presentation on the current coffee market outlook. The ICO group indicator daily prices in all four groups (Colombian Milds, Other Milds, Brazilian Naturals and Robustas) and the ICO composite indicator daily price over the last six months all showed a steady downward trend, which had accelerated over the past two months. But was the worst nearly over? The picture was different when prices were transformed into local currency. Colombian Milds had experienced a decline of 6%, for other Milds this was 4%, for Robusta this was 1%, but for Brazilian Naturals the price had risen in local currency by 6% – demonstrating the impact of exchange rates on the coffee sector. In the current presidential election year in Brazil, the Brazilian Real exchange rate had some parallels with previous election years in 2003 and 2014. In both 2003 and 2014 the currency had experienced a steep fall during the election period which had then been corrected post election. The situation of the Real today, however, was even more extreme, at its lowest level since being created in the 1990s, which was expected to persist until the election was over. Although it was not possible to say with certainty, the Executive Director expressed a cautious note of optimism that a post-election rise in the Real would provide support to the coffee market later in the year.

35. The Council took note of the report.

Item 9: Studies, reports and Country Coffee Profiles

- Emerging coffee markets: South and East Asia

36. The Economist presented the study on 'Emerging coffee markets: South and East Asia' contained in document [ICC-122-6](#) which including an overview of the development of coffee consumption in the South and East Asia Region.

⁵ Subsequently published as document [ICC-122-20](#).

37. Using the ICO's consumption and imports data, and market shares calculated from external data purchased from Euromonitor, the study analysed seven coffee markets. Four were ICO Members – India, Indonesia, the Philippines and Vietnam – representing 95% of the coffee produced by ICO Members in the region, and three were non-member, net coffee importers – China, the Republic of Korea and Taiwan. The study looked at coffee consumption in this region from three angles: how consumption had evolved compared to the rest of the world, coffee imports into these markets as a source for domestic consumption or domestic coffee processing, and consumption trends by market segments: fresh and soluble coffee.

38. The share of coffee consumption of the region in global consumption was now 12%, which had more than doubled since the early 1990s, as a result of a faster growth of coffee consumption in the region at an annual rate of 6% on average, compared to 2% in the rest of the world. Indonesia was the biggest coffee consumer with 4.7 million 60-kg bags consumed in crop year 2016/17, while the Republic of Korea was the main coffee consumer per capita, with 3.2kg of coffee per person in the same crop year. The Philippines was the second biggest coffee consumer in both total and per capita terms.

39. On average, 64% of the coffee imported into the region was Robusta, although Arabica coffee was the main type of coffee imported in markets where mostly fresh coffee was consumed, as was the case of Taiwan and the Republic of Korea. 70% of the coffee imported in the region was in green form, mostly originating in Asia and South America. These coffee-producing regions also exported a third of the processed coffee imported by the seven markets in South and East Asia analysed in the document.

40. Fresh coffee consumption had steadily increased in all markets over the last 15 years, in particular in the last five years in China, the Republic of Korea and Vietnam. Indonesia was the market with the highest total consumption of fresh coffee, but Taiwan stood out as the main fresh coffee consumer in per capita terms. In terms of soluble coffee, the main consumers were the Philippines and the Republic of Korea. Soluble coffee consumption had also increased steadily in some markets, such as Vietnam, China and India, but this trend was reversed in the Republic of Korea and Taiwan – an indication that, with rising incomes, consumer preferences had shifted towards fresh coffee.

41. The Council took note of the report.

- Mixtures and substitutes

42. In accordance with Article 27 of the International Coffee Agreement 2007, Members are required to prohibit the sale and advertisement of products under the name of coffee if such products contain less than the equivalent of 95% green coffee as the basic raw material.

Within this context the Executive Director was required to submit to Council periodic reports on compliance with this Article. Based on requests for information from Members during July and August 2018, the study compiled responses received from 11 exporting Members and two importing Members, and incorporated the submissions of other Member countries in 2010, to give an overview of the various regulations and measures adopted by Member countries in relation to mixtures and substitutes – set out in document [ICC-122-7](#). Where possible, brief summaries or explanations were provided for specific countries, however in some cases only very basic information had been made available. The Chief Economist also reported that Members who had not yet replied were requested to do so as soon as possible.

43. The Council took note of the report.

- National Quality Standards and Maximum Residue Limits

44. The Economist presented the results of two studies: National Quality Standards for coffee contained in document [ICC-122-12](#), and Maximum Residue Limits of pesticides contained in document [ICC-122-10 Rev. 1](#). These two studies represented the commitment of the Organization to keep Members informed about quality standards, grading and classifications systems, and safety issues relating to the coffee sector.

45. The findings of the National Quality Standards study were based on replies from 27 countries, with a focus on green coffee for export, as well as information on ground and soluble coffee. Legislation and regulations on quality standards relating to coffee fell into three category levels: national standards (adopted by 18 Members), international standards (adopted by 2 countries), and both national and international standards (adopted by 7 Members), with a variety of quality criteria such as bean size, moisture and the number of defects.

46. With regard to the study on Maximum Residue Limits (MRLs), information on regulations for 23 countries and the European Union were used. National regulations for MRLs could be classified into three categories: Codex guidelines (three Members), Codex guidelines combined with standards defined by the East African Standard, European Union, Japan or the United States Environmental Protection Agency (8 Members) and national standards (7 Members). Five Members reported that no pesticides were used in their coffee sector, and China reported that it followed the 4C's baseline sustainability standard.

47. The Council took note of the reports.

- Coffee profile: Ghana

48. The Chief Economist introduced the Country Coffee Profile of Ghana contained in document [ICC-122-8](#). The ICO Secretariat had worked in conjunction with the Ghana Cocoa Board to produce the profile. Although a tiny sector producing only 1,000 metric tonnes on average per year, coffee represented an important source of income for over 8,000 poor families living in marginal areas. Taking into account its contribution to poverty reduction in these marginal areas, the Government was undergoing the revitalization of the sector.

49. The Council took note of the report.

Item 10: Coffee prices and producers' incomes: analysis and response

50. Representatives of exporting Members made impassioned submissions to the Council, highlighting the impact of current low coffee prices on the livelihoods of coffee farmers who were often growing hungry, and as a result were choosing to emigrate or take other extreme measures such as turning to the cultivation of illicit crops.

51. The Executive Director agreed that the ICO had an important role to play as the voice of the world coffee sector and to convey this serious situation to the outside world, including consumers, the ever-growing roasting industry and the wider international community. There were several opportunities for the ICO to use its convening powers, including November's Ibero-American Summit, and the meeting of the G20 in Argentina, in preparation for which Council encouraged Members to facilitate the ICO's access to national Ministers. In the longer term, the ICO would continue to work with Members to support increased productivity, to make the sector more efficient, to help to decommoditize coffee, to raise domestic consumption in coffee-producing countries, along with a series of additional actions. Council supported the suggestion by the Chair of Council that coffee be included within the remit of the Agricultural Market Information System (AMIS) launched by the G20 Ministers of Agriculture in 2001 to enhance food market transparency and policy response for food security. AMIS brought together principal trading countries of agricultural commodities (currently focused on wheat, maize, rice and soybeans) and provided a platform to coordinate policy action in times of market uncertainty. The Executive Director brought up the possibility of creating of a multi-sectoral platform bringing together all coffee stakeholders – governments, associations from all over the world, including experts like Professor Sachs, other international organisations and consumers to agree and implement collective solutions.

52. A draft Resolution on coffee price levels contained in document [WP-Council 295/18](#) was considered, setting out Council's support for action to ensure the economic sustainability

of the coffee producers, including the effective exchange between Member States of national public policy initiatives promoting economic sustainability, promotion of consumption, encouragement of exporting Members to adopt programmes to further raise their internal consumption levels and strengthen ties with the international roasting industry as a matter of urgency.

53. The Council approved the draft Resolution on coffee price levels which was subsequently published as [ICC Resolution 465](#), a copy of which is attached to these Decisions.

- The role of the coffee futures market in discovering prices for Latin American producers

54. The Senior Economist introduced the background to a collaborative study with the Department for Agricultural Economics at the Georg-August-Universität Göttingen in Germany on 'The role of the coffee futures market in discovering prices for Latin American producers' contained in document [ICC-122-5](#). Achieving world class data and analytics was one of the Organization's three strategic objectives and, as set out in the Five-Year Action Plan, the Secretariat was already establishing a number of collaborative initiatives with respected research institutions in order to combine ICO data with advanced analytical tools. The product of this collaboration would be a new type of ICO research study aimed at coffee experts, disseminated among Members as well as the wider research community, with more analytical depth to provide the solid data and empirical evidence to support the messages of the Organization. This joint research already included the study of coffee prices, but also an analysis of the rich data on certificates of origin, as well as a deeper look at the gender gap based on World Bank data. Along with the University of Göttingen, the ICO had established similar links with the University of California and its world-class coffee research centre.

55. The Research Associate at the Georg-August-Universität Göttingen, Ms Joanna Gather, presented the findings of the study. Coffee was an important export commodity for many Latin American countries, and as prices were an important basis for production and investment decisions, it was important to understand the relationship between futures and producer prices to see if they reacted to the same set of information. In the coffee futures market, standardised contracts regarding quality and quantity were traded. As the delivery period and place were selected from a set range of delivery months and ports, the only point to be agreed on was the price, making the pricing process comparatively easy. In the spot market, coffee of differing quantities and qualities was traded, making the pricing process more complex. Nevertheless, prices in both markets should react to the same set of information. If this was the case, the question remained which of the markets incorporated new information faster. The price data used was provided by the ICO and consisted of monthly averages of Arabica prices from six different countries and the New York futures

market, covering the period from January 1973 to March 2017. The countries included Brazil, Colombia, Dominican Republic, El Salvador, Guatemala and Honduras, and were chosen due to the completeness of their price series.

56. In all cases, the futures and producer prices were co-integrated, which meant that producer prices and futures prices reacted to the same information. The price discovery analysis, however, presented varying results. In the case of Brazil, Colombia and the Dominican Republic, producer prices dominated the price discovery process and hence incorporated new market information faster than the futures price series. However, in Honduras and Guatemala, the futures market clearly dominated price discovery. For El Salvador, an estimation of the price discovery metrics was unfortunately not possible, although the two markets did react to the same information. While in Honduras and Guatemala the futures market clearly dominated price discovery, this was not the case in Brazil, Colombia and the Dominican Republic, possibly due to factors such as market size, strong domestic consumption or the existence of a sufficiently liquid futures exchange at country level. In conclusion, although prices reacted to the same set of information, in Brazil, Colombia, and the Dominican Republic, producer prices incorporated new information faster. In Guatemala and Honduras, the New York futures market dominated price discovery and provided a useful basis for production and marketing decisions. For El Salvador, results were inconclusive due to limitations of the estimation method. The analysis provided an insight into the relationship between futures and producer prices and showed the complexity of this relationship. Further research was therefore crucial, for example by applying the concept to Robusta prices and additional countries.

57. The Council noted the report.

- Economic and Policy Analysis for Improving Smallholder Coffee Producers' Incomes

58. At the request of the World Coffee Producers' Forum, Professor Jeffrey Sachs, of Columbia University, then presented an update on his study on prices based on ICO data, an initiative of the World Coffee Producers' Forum with a contribution from the ICO, including suggested options under review to support industry and consumers to transfer funds back to poor growers. Professor Sachs would continue to report to the Council on the results of the study.

Item 11: World Coffee Conference

59. The representative of India reported on the preparations for the 5th World Coffee Conference in 2020. Together with the ICO, the India Coffee Trust, Coffee Board of India and Ministry of Commerce and Industries would be the stakeholders charged with planning the

event. In terms of venues, the World Coffee Conference would take place in the Bangalore International Exhibition Centre from 10-12 September, followed by the 127th Session of the International Coffee Council at the Taj Yeshwantpur Bengaluru hotel from 14-16 September 2020.

60. The representative of India proposed that the event be rescheduled from the initial date of April to September, as set out in document [ED-2281/18](#), in order not only to accommodate the diary of the Prime Minister of India and the Minister of Commerce and Industry, but also to avoid clashes with other coffee-related events, and to allow for site visits across the coffee regions in South India.

61. The proposed theme for the World Coffee Conference was ‘Brewing Sustainable Solutions’ with a programme focusing on production, quality, consumption and wider issues such as the needs of small-scale coffee growers. In terms of delegates, the conference would be targeting a wide range of stakeholders representing, for example coffee producers and exporters, coffee brands and coffee chains, innovation and sustainable technologies, research and agro technology, farm equipment and coffee start-ups. Ideas for event mascots were also shared, along with knowledge-sharing workshops and social activities.

62. The Council took note of the report.

Item 12: International Coffee Day

63. The Executive Director reported on preparations for the annual International Coffee Day (ICD) which this year was celebrating Women in Coffee. The theme was chosen as this year’s thematic focus because of the growing importance of women in coffee across the value chain and to help to empower women to achieve gender equality and increase productivity, supply and sustainable consumption. To support the campaign, the Secretariat has produced a number of support materials which, based on [ICC Resolution 465](#), would also promote the important messages around pricing levels. The delegate of Brazil also outlined plans to leverage Brazilian embassies across the globe to join in an international celebration of International Coffee Day. The shortlisted entries for the International Coffee Day photo competition were shared with delegates who also had been invited to vote for their favourite entry, the winner of which would be formally announced on 1 October. Other Members were encouraged to hold similar events as part of International Coffee Day. Formal thanks were also given to the All Japan Coffee Association for their continued support to fund the ICD campaign.

64. The Council took note of the report.

Item 13: International Coffee Agreement (ICA) 2007

Item 13.1: Report on membership of the ICA 2007

65. Document [ICC-122-4](#) contained a report on the status of the ICA 2007. To date, 44 exporting Members and 6 importing Members had ratified, accepted or approved the Agreement. The Executive Director reported that since the 121st Session of the Council in Mexico City no new Members had joined the Organization.

66. H.E. Ms Aisha Abubakar, Minister of State for the Ministry of Industry Trade and Investment of Nigeria, made a statement to the Council which included confirmation of Nigeria's intention to ratify the International Coffee Agreement in line with the procedures for membership of the ICO⁶. The Executive Director expressed his gratitude to Nigeria for confirming the Government's intention to complete the procedures for membership and looked forward to welcoming Nigeria as an ICO Member shortly.

67. The Council noted the statement made by the Minister.

68. The Executive Director also reported on the outcome of the mission of the high-level ICO delegation that had met with officials of the Executive Branch of the Government of the United States of America. As reported in [ED-2269/18](#) and in accordance with the decision of the International Coffee Council during its 121st Session, [ICC Resolution 462](#) was presented to officials of the Government of the United States of America (USA) in Washington, DC, on 7 June 2018. The ICO was represented by the Chair of the Council, H.E. Mr Aly Touré, and himself. They were accompanied by the Ambassador of Côte d'Ivoire to the USA; Mr Bill Murray, CEO of the National Coffee Association USA; and Mr Ric Rhinehart, CEO of the Specialty Coffee Association. The USA was represented by officials from the Office of the US Trade Representative and the Department of State. [ICC Resolution 462](#) contained the request of ICO Member Governments for the USA to reconsider its decision to withdraw from the Organization, while also highlighting the importance of its membership of the ICO in order to overcome the challenges facing the world coffee sector and to achieve the Sustainable Development Goals. The representatives of the USA responded that the decision to withdraw was final and that an internal review had concluded that the resources and efforts of the US Government to support the international coffee sector would be most efficiently utilised outside the Organization.

69. The Executive Director reported that the ICO Secretariat had been informed that Jamaica was in the process of re-establishing its membership of the ICO and a submission had been made to the relevant ministerial body to execute the necessary actions. Information had

⁶ Subsequently circulated as [ICC-122-23](#).

also been received from Guinea, which had already signed the Agreement, to the effect that it was in the final stages of fulfilling the requirements for accession. There was no news to report on membership from the People's Republic of China, which was still under the consideration of various government bodies. Members with connections with China were encouraged to share relevant contacts with the Executive Director, also to promote the value of membership with their contacts. With regard to the Republic of Korea, the ICO was waiting for an opportune moment to make a visit, as the Minister of Agriculture had recently been changed.

70. The Council took note of this report.

Item 13.2: Extension for the deposit of instruments

71. Document [WP-Council 291/18](#) contained a draft Resolution to extend to 30 September 2019 the time limit for the deposit of instruments of ratification, acceptance, approval or accession to the 2007 ICA. The Chair urged Members who had not yet ratified the Agreement to do so as soon as possible.

72. The Council approved the draft Resolution to extend the time limit for deposit of instruments, which was subsequently published as [ICC Resolution 464](#), a copy of which is attached to these Decisions.

Item 14: Reports from the Chairs of the ICO Bodies

Item 14.1: Private Sector Consultative Board (PSCB)

73. The Chair of the Private Sector Consultative Board (PSCB) reported on the meeting of 19 September. PSCB Members received three presentations:

- Mr Carlos Brando, Chair of the Global Coffee Platform (GCP), made a presentation on the sustainability of coffee regions and how GCP was helping to break what was referred to as the 'vicious cycle of sustainability' by going beyond the farm gate and beyond growers' control. He stressed the important role of governments. Mr Brando explained that the way of breaking the cycle was by educating growers, providing training and extension services, and access to: National Sustainability Curricula, evaluation systems, farmer organizations, efficient supply chain and markets and financing, among others. The aim was to create an enabling environment in which growers could profit from technological advances.

- Ms Eileen Gordon, Secretary General at the European Coffee Federation (ECF), presented the implications of the new European Standard Coffee Contract. She

indicated that standard contracts allowed users to take advantage of a set of terms and conditions that had been formulated based on practical experience. The new contract, which replaced four previous contracts, was approved by the ECF Council on 19 June 2018 and contained three sections: shipment, spot and delivery, and general provisions. Finally, she stressed that the ECF was fully committed to continue cooperating in contractual issues and associated matters with representatives of exporter associations.

- Ms Kimberly Easson, Gender Advisor at the Coffee Quality Institute, explained in detail the three tools developed by the Partnership for Gender Equity to support gender equity programmes in the coffee sector, including a Common Measurement Framework, Engagement Guide and Validated Project Methodology. All Members were invited to join a webinar on International Coffee Day exploring gender equity, organised in conjunction with the ICO and GCP, as well as view the “Gender in Coffee” documentary produced by the Partnership for Gender Equity, now available online.

74. The Council took note of the report.

Item 14.2: Promotion and Market Development Committee

75. The Chair of the Promotion and Market Development Committee reported on the meeting of 19 September 2018.

76. Members noted a report on preparations for International Coffee Day which this year was celebrating Women in Coffee.

77. The Committee received a presentation from Mr Juan Esteban Orduz, President of the Colombian Coffee Federation, Inc. who shared with Members his country’s efforts to promote consumption of Colombian coffee by establishing a quality brand and identity and support for coffee growers, values which are of growing importance for consumers. These efforts in 2018 alone had led to the Federation being awarded one of the Rainforest Alliance Sustainable Standard Setters Award, the Coffee Quality Institute Leadership Medal of Merit and Speciality Coffee Sustainability Award. The next ambitious step was to be the first 100% sustainable coffee origin in the world. Due to time Mr Orduz was unable to play a video to Members, but both his presentation and slides would be posted on the ICO website.

78. The Committee noted the report on the Dissemination Workshop on Coffee and Health held at the 121st Session in April in Mexico City to share with Members the latest developments relating to coffee consumption and health – as set out in document [PM-58-18](#).

79. The Committee also received a presentation from Mr Raphael Studer, co-founder of Algrano, an online platform to make it easier for coffee roasters and growers to know each other, interact and buy/sell green coffee. Mr Studer explained that the internet provided a tremendous opportunity to help producers to promote their brands. The platform provided an efficient and streamlined knowledge transfer from buying markets and full two-way transparency on prices, so both the roaster and grower understood the costs in the chain. Algrano had also just recently signed a partnership with the El Salvador Coffee Council.

80. The Council took note of the report.

Item 14.3 Statistics Committee

81. The Chair of the Statistics Committee reported on the meeting of 19 September 2018.

82. The Chief of the Statistics Section introduced document [SC-86/18](#), which provided the main findings on the constraints Members faced in providing data to the Secretariat, as well as actions undertaken or planned to help Members face these constraints. Lack of financial and personnel resources was noted as a major barrier to Members in complying with the Rules on Statistics. This resulted in incomplete or untimely reports, or in some cases, there were no reports submitted at all. To address these constraints, the Secretariat had been training statistical staff of Member countries and would develop additional training that could be easily accessed online. In addition, the Secretariat was also looking at ways to facilitate submission of data, such as amending the Rules on Statistics. The Secretariat would also establish a scheme to certify/reward Members' statistical officers. The Secretariat welcomed further suggestions from Members for improving these processes.

83. The Senior Economist introduced document [SC-87/18](#), which presented the framework for the new compliance indicators. The new indicators would be used to replace previous reports on Member compliance, allowing Members to quickly ascertain compliance both at the overall level, as well as at the country level. This information would also enable the ICO to identify areas for improving compliance and thus, the overall quality of the ICO statistical database and compare better performance over time. The new indicators assessed whether Members submitted complete and timely reports with a score of 0 if the report was untimely or incomplete, and a score of 1 if it was timely or complete. This assessment was aggregated at an annual level across all items that were required by the Rules on Statistics to be submitted by Members.

84. The Chief of the Statistics Section reported that training for two exporting Members, Kenya and Côte d'Ivoire, had taken place at ICO headquarters since the last Council Session. This training had resulted in better communication between the Secretariat and the two Members, as well as improvements in the reports submitted by these Members.

85. The Chief of the Statistics Section gave a presentation on the outline for the new statistical data management system, which would be able to take advantage of the advances in technology since the development of the Organization's existing database system in 2003. In coffee year 2018/19, the Secretariat would seek tenders from at least three consultancies for upgrading the system, while work on upgrading the system was scheduled to start near the end of the coffee year.

86. Mr Euan Mann, of Complete Commodity Solutions Ltd., and Chair of the Statistics Roundtable, presented the outcomes of the joint work with the ICO Statistics Section over the last five years to review the supply and demand data from a global perspective, as well as for most exporting countries for the period 2006/07 to 2016/17. As a result of this collaboration, the quality of ICO data had been greatly improved and could now be considered as a global benchmark for coffee sector data. The ICO, with cooperation from Roundtable members, would next review data for the period 1997/98 to 2005/06. In addition, the ICO as well as Roundtable members would also review data for the two to three most recently completed coffee years on an annual basis to ensure that the ICO continued to be a reliable source of data. Several Members expressed their satisfaction with the progress that the Secretariat had made in improving ICO statistics to reflect more accurately the market situation.

87. The Council took note of the report.

Item 14.4: Projects Committee

88. The Chair of the Projects Committee reported on the meeting of 18 September 2018.

89. The Committee approved the draft Agenda, with an amendment to Item 3 allowing the Interafrican Coffee Organization to present the proposal of the African group on domestic consumption. Under Agenda Item 3, monitoring and evaluation of projects, the following presentations were made:

- The Head of Operations outlined the current coffee development projects and strategy, including organizing donor forums and assisting Members in designing project proposals and identifying sources of financing.

- The Chief Economist presented document [PJ-124/18](#) containing a new project proposal on building a sustainable coffee sector in Uganda. The project aimed to support the implementation of the country's coffee road map. The Committee recommended its approval by the Council.
 - The Representative of PROMECAFE made a verbal report on the status of the ongoing project on domestic consumption financed by the Special Fund.
 - The Secretary General of the Interafrican Coffee Organization presented a new project proposal on domestic consumption and value addition creation in Africa as a contribution to the Africa Coffee Facility submitted to the African Development Bank and other partners for financing. A portion of the Special Fund would be used to cover activity on the market development component of the Africa Coffee Facility. The Committee recommended its approval by the Council.
 - The Chief Economist presented a preliminary report on the coffee sector challenges in selected countries in Asia and Oceania contained in document [PJ-125/18](#). Besides existing challenges in all producing countries, exports remained dominated by green coffee. The Philippines was an exceptional case, as imports of green coffee were required to meet its domestic consumption needs. The Committee noted the report and encouraged Members to provide additional information.
90. Under the Agenda Item 4 on cooperation activities, the Committee noted two progress reports on ongoing projects:
- The Senior Economist presented the terms of reference for the establishment of a working group to monitor the implementation of the Delta Project on sustainability performance indicators. The Working Group was open to all Members. The Committee recommended the terms of reference of the Working Group for approval by the Council.
 - The representative from the Swiss Coffee Trade Association gave an update on the Global Adaptation Plan (C-GAP) – a private sector initiative to address the threat to coffee supply from climate change.
91. The Council took note of the report.

Item 14.4.1: Project proposal on 'Building a sustainable coffee sector in Uganda'

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| <p>92. The Council approved the project proposal set out in document PJ-124/18 to support a sustainable coffee sector in Uganda.</p> |
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Item 14.4.2: Draft Terms of Reference for the Working Group on Sustainability Performance Indicators

93. The Council approved the draft terms of reference for the Working Group on sustainability performance indicators as set out in document [PJ-126/18](#) to support the implementation of the Delta Project.

Item 15: Outcomes from knowledge-sharing workshops and forums

Item 15.1: Thematic Workshop: Women in Coffee

94. The Executive Director reported on the outcomes of the Thematic Workshop held on 17 September 2018, which with a focus on Women in Coffee was the first of its kind, reflecting the annual theme of the ICO for coffee year 2017/18: Gender equality.

95. The Senior Economist presented the main findings of the report prepared by the Secretariat and set out in document [ICC-122-11](#). In his presentation, he provided an overview of the extent and determinants of the gender gap in the coffee sector, focusing on the agricultural part of the value chain. He also reviewed successful public policy responses and private initiatives aimed at the empowerment of women and the reduction of the gender gap. While the report focused mainly on the farm level, in the panel discussion the focus was broadened, addressing all levels of the value chain from bean to cup. Panel speakers included a female entrepreneur and buyer of green coffee from Uganda, a representative from Nestlé Nespresso, two female co-founders of a small-scale roaster that sourced coffee exclusively from women farmers, and the Director of the Gender Team of the European Bank for Reconstruction and Development. In short presentations the panellists shared their views on the obstacles faced by women in the coffee sector and possible solutions to empower women. The presentations were followed by a lively discussion.

96. A main conclusion of the Thematic Workshop was that the global coffee sector was very diverse and complex. Hence, the level of empowerment as well as the gender gap varied greatly between countries and regions, and at the different stages of the value chain. There was consensus that more data was needed to develop targeted solutions ranging from gendered public policies and development programmes to non-discriminatory supply chain policies, to management and leadership training for women. Panellists agreed that in order to support women, foster empowerment and gender equality the public and private sectors needed to work hand in hand, contributing to achieving the Sustainable Development Goal 5. The next ICO Thematic Workshop would be held in September 2019, reflecting the annual theme of the ICO in coffee year 2018/19 – climate change.

97. The Council took note of the report.

Item 15.2: Consultative Forum on Coffee Sector Finance

98. The Chair of the Consultative Forum on Coffee Sector Finance reported on the outcome of the 8th Forum held on 18 September 2018, which had been sponsored by Conservation International. This year's theme *Harnessing technology and innovation for investments in the coffee sector* aimed to explore how digital technologies and new financing instruments could improve coffee growers' access to finance. The Forum comprised two panels with eminent speakers from the technology and coffee sectors, from the financial industry, international organizations and academia.

99. The first panel provided an opportunity to learn about new technologies and innovative approaches currently being implemented and leaving a mark across agricultural commodity sectors, for example blockchain applications and index insurance against price volatility. The panellists discussed the potential for adoption of these innovations in the coffee sector and identified the barriers that needed to be overcome to ensure financial inclusion. The second panel explored how impact investments, as well as climate and green bonds, could channel additional funds into the coffee sector, to support investments in the rehabilitation and renovation of ageing coffee trees as well as increase productivity and resilience to the impact of climate change. The experts also discussed how to ensure that additional funds could be channelled into the sector to reach and benefit marginal producers through smart finance instruments and structures.

100. Three main conclusions that could be derived from the discussions during the Forum.

- First, the rise of new technologies and the data revolution could have a significant and positive impact on producers via many channels, including improved access to finance. The digital revolution had a huge potential to transform the economy and the coffee sector. However, if not managed properly technological change had also the potential to increase inequalities. It was also important to ensure that small and marginalised farmers, such as female producers, could benefit. Otherwise, technology could increase the divide between the digital have- and have-nots. The panellists stressed that there was a role for both the government and the private sectors to play to ensure financial inclusion.
- A second key conclusion was that the financing requirements of the coffee sector in part could be met by new and innovative instruments. It was stressed that a blending of different finance instruments – for example, impact investment, green bonds and grant elements – could be particularly effective. According to the experts, the challenge was not necessarily the availability of funds but the availability of bankable projects. Hence, it was heartening to see that a lot of thought goes into designing structures and mechanisms that allow the matching of financiers with environmental

and social impact objectives with projects supporting the coffee growers and communities. The panellists agreed that the 2030 Agenda for Sustainable Development and the Sustainable Development Goals provided an excellent framework and a common language for investors and those designing projects to formulate impact objectives and track progress, unlocking finance opportunities.

- A third and final conclusion was that, in order to pursue sustainable coffee production that was economically viable, the collaboration of all stakeholders in the sector, the governments, the industry, NGOs and donors was necessary. For example, governments could provide the right regulatory framework to facilitate adoption of new technologies, provide smart subsidies to increase uptake and ensure financial inclusion. Harnessing risk sharing between private investors and multilateral development banks could increase the availability of finance for agricultural producers.

101. The Council took note of the report.

Item 15.3: Donors Forum: Project Development/Funding and Partnership Fair

102. The Chair of the Projects Committee reported on the outcome of the Donors Forum held on 18 September 2018. Sponsored by the United Nations Industrial Development Organization, the ICO Donors Forum had been organised to assist Members to learn and link with key donors, international organizations and other partners. Presentations on successful initiatives and project funding opportunities for the coffee sector were made by representatives from donor communities and bilateral cooperation agencies, including the Directorate-General for International Cooperation and Development (DG DEVCO) of the European Union, the Global Environment Facility, the Standards and Trade Facility of the World Trade Organization, the International Fund for Agricultural Development, the Ministry of Foreign Affairs of Italy and the African Export-Import Bank (Afreximbank). Members were invited to continue to interact with the donor and development institutions on an individual basis, to explore opportunities to fight poverty and bring prosperity to the coffee sector.

103. The Head of Operations reported on the Partnership Fair, which provided a further platform for international cooperation agencies, donors and partners to inform delegates about their programmes, tools, funding opportunities for the coffee sector and the procedures for application. The following cooperation agencies and international organizations participated in the Fair: International Trade Centre, United Nations Industrial Development Organization, Global Environment Facility, Standards and Trade Development Facility, Deutsche Gesellschaft für Internationale Zusammenarbeit, Japan International Cooperation Agency, International Fund for Agriculture Development, United Nations Development Programme and Twin and Twin Trading.

104. The Council took note of both reports.

Item 16: **Financial and administrative matters**

Item 16.1: **Finance and Administration Committee**

105. The Chair of the Finance and Administration Committee reported on the outcome of the meeting of the Financial and Administration Committee held on 19 September, including the financial situation of the Organization as set out in document [FA-187/18](#) and the impact of the uncertainty of payment of contributions by some Members.

106. The Committee recommended for approval by Council the monitoring framework for the Five-Year Action Plan and the annual Programmes of Activities as set out in document [FA-177/18 Rev. 3](#).

107. The Committee noted the analysis of attendance at ICO meetings which drew no firm conclusions, but would still be monitored by the Secretariat. Members also noted the outcome of a review of the consolidation of ICO advisory bodies which was not considered necessary at this time; instead, the Permanent Secretaries would ensure minimal duplication of agenda items.

108. The Council noted the report.

109. The Council approved the proposed monitoring framework for the implementation of Key Performance Indicators (KPIs) set out in document FA-177/18 Rev. 3 .
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Item 16.2: **Draft Administrative Budget for the financial year 2018/19**

110. The Chair of the Finance and Administration Committee reported that the Committee had noted the draft Administrative Budget for 2018/19 as set out in document [FA-173/18 Rev. 2](#).

111. The Head of Finance and Administration explained that following the previous session of Council, numerous intersessional meetings of the Finance and Administration Committee had been held to address the budgetary implications of the withdrawal of the USA from the Organization. The Administrative Budget was divided into three broad categories: Personnel, Premises and Miscellaneous. Expenditure on premises, at least in the short term, was fixed and could not be reduced. Some savings were proposed in Miscellaneous expenditures (Travel and Computer-related costs). However, these were partially offset by increases in expenditure on Language services and Other operating costs to cover for reductions in personnel. Therefore, the major cost reductions required came in the form of a reduction in

staff. An added complication was the impact of persistent non-payment of contributions by some Members. The proposed budget for 2018/19 represented an overall decrease more than 11% in comparison with the previous year. In order to address the question of persistent arrears, a proposal was put forward to redistribute the votes, and consequently contributions, of those Members in persistent arrears.

112. In order to allow further consideration of the issues involved, the Council agreed to schedule an intersessional meeting of the Finance and Administration Committee in October, to be followed by a special session of the International Coffee Council in November. It was important to come to an agreement as swiftly as possible, so as not to have a detrimental effect on the operation of the Organization.

Item 16.3: Programme of Activities for coffee year 2018/19

113. The Chair of the Finance and Administration Committee reported on the Programme of Activities contained in document [FA-186/18](#), which the Committee had recommended for approval by the Council. The main objectives were to contribute to achieving the strategic objectives of the ICO's Five-Year Action Plan, minimise the impact of the downsizing of the Organization due to the withdrawal of the United States, implement the decisions adopted at the 121st Session of the International Coffee Council in Mexico, organise the 9th Consultative Forum on Coffee Sector Finance – focusing on the impact of climate change on the global coffee sector – and implement the Memorandums of Understanding signed with partner organizations.

114. The Council approved the Programme of Activities for coffee year 2018/19 set out in document [FA-186/18](#)⁷.

Item 16.4: Guide to hosting meetings of the ICO

115. The Chair of the Finance and Administration Committee also reported on the following new publication *Guide to hosting meetings of the International Coffee Organization and the World Coffee Conference* contained in [FA-189/18](#). This revised document had been developed to provide comprehensive support to Members interested in hosting future sessions of the Council and the World Coffee Conference, setting out clearly the responsibilities of all parties as well as introducing a new Host Country Agreement to be drafted for each event.

116. The Council approved the new *Guide to hosting meetings of the International Coffee Organization and the World Coffee Conference* contained in [FA-189/18](#)⁸.

⁷ Subsequently published as [ICC-122-18](#).

⁸ Subsequently published as [ICC-122-19](#).

Item 17: Special Fund

117. The representative of PROMECAFE gave a brief update on the progress of the project to promote coffee consumption in the Latin American region, which was supported by the Special Fund and was due to conclude in 2019. The funding to promote domestic coffee consumption also had the positive benefit of supporting coffee growers at this difficult time of low prices. As the implementing agency, PROMECAFE had been focusing on capacity building with various stakeholders across the coffee value chain, to share good practices and build partnerships. A key objective was to increase annual domestic consumption from 1.32kg per person by 30% by 2019. Key outcomes to date had been the development of educational materials and information to promote the link between coffee and health, wellbeing and sport. Work was now in progress on country surveys to pinpoint opportunities and requirements to promote domestic consumption across the region.

118. The African countries, through the Interafrican Coffee Organization, had agreed to use a proportion of the Special Fund to contribute to the African Coffee Facility to support the promotion of domestic consumption in Africa. The Council also noted that Asian Members were continuing to have discussions to reach a common position.

Item 18: Office holders and committees

Item 18.1: Composition of committees

119. The Council decided that the composition of the Committees in 2018/19 should be the following:

Committee	Exporting Members	Importing Members
Finance and Administration Committee	Brazil, Colombia, Côte d'Ivoire, El Salvador, Indonesia, Uganda	European Union, Japan, Norway, Russian Federation, Switzerland
Projects Committee	Brazil, Colombia, Costa Rica, Côte d'Ivoire, Guatemala, India, Indonesia, Kenya	European Union, Japan, Switzerland
Promotion and Market Development Committee	Brazil, Colombia, Honduras, India, Nepal, Panama, Tanzania, Togo	Japan, Russian Federation, Switzerland
Statistics Committee	Brazil, Cameroon, Colombia, Costa Rica, Honduras, India, Kenya, Nepal	European Union, Russian Federation, Switzerland

Item 18.2: Chair and Vice-Chair of the Council

120. In accordance with the procedures provided for in Article 10 of the 2007 Agreement, the Council elected the following office holders for the Council for 2018/19:

Chair: Ms Stefanie Küng (Switzerland)
 Vice-Chair: Mr Deny Wachyudi Kurnia (Indonesia)

Item 18.3: Chair and Vice-Chair of the committees for 2018/19

121. The Council approved the following office holders for 2018/19:

	Chair	Vice-Chair
Finance and Administration Committee	Dr Emmanuel Iyamulemye Niyibigira (Uganda)	Mr Kirill Matrenichev (Russian Federation)
Projects Committee	Mr Mitsuhiro Takayanagi (Japan)	H.E. Mr Aly Touré (Côte d'Ivoire)
Promotion and Market Development Committee:	H.E. Dr. Durga Bahadur Subedi (Nepal)	Mr Mitsuhiro Takayanagi (Japan)
Statistics Committee	Mrs Tatiana Zvereva (Russian Federation)	Dr Yenugula Raghuramulu (India)

Item 18.4.1: Chair and Vice-Chair of the Consultative Forum

122. The Council elected the following office holders of the Consultative Forum on Coffee Sector Finance:

Chair: Mr Kirill Matrenichev (Russian Federation) (also Chair of Core Group)
 Vice-Chair: H.E. Mr Aly Touré (Côte d'Ivoire)

Item 18.4.2: Core Group advisors

123. The Council appointed the following advisors to the Core Group for 2018/19:

Mr Silas Brasileiro (National Coffee Council of Brazil)

Ms Nancy Cheruiyot (Commodities Fund, Kenya)

Mr Ralph De Haas (European Bank for Reconstruction and Development)

Mr Nicolas Tamari (Sucafina S.A.)

Item 19: Credentials

124. The Executive Director informed the Council that the credentials received from Members had been examined and found to be in good and due form. The full report would be circulated at a later date.

125. The Council approved the verbal report on credentials⁹.

Item 20: Future meetings

126. The Council approved document [WP-Council 294/18](#) containing dates of meetings in coffee years 2018/19 and 2019/20. This included changes to the dates of the 123rd Session of the International Coffee Council in Kenya, and the World Coffee Conference in 2020 in India.

127. The representative of Kenya also reported on preparations for the 124th Session of the International Coffee Council to be held in Nairobi, Kenya from 25 to 29 March 2019. For Kenya, it was important to host the event to reflect the nation's strong support for the renaissance of the country's coffee – grown by over 700,000 farmers. The coffee sector in Kenya and across the world faced many challenges, but a multilateral approach was required to find and implement the right solutions. The Kenyan Government had already hosted a mission of the ICO's Executive Director, established an inter-ministerial planning committee and booked the venue – the Jomo Kenyatta International Convention Center. A proposed programme was also outlined, which included a sustainability seminar, opening ceremony, Committee and Council meetings, as well as cultural and site visits.

⁹ The report was subsequently circulated, together with the List of Delegations, as document [ICC-122-21](#).

Item 21: Other business

128. Due to time pressures, there was no opportunity to raise any other business.

Item 22: Closing ceremony

129. The Council session was formally closed.



**INTERNATIONAL
COFFEE
ORGANIZATION**

ICC Resolution 464

21 September 2018
Original: English

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International Coffee Council
122nd Session
17 to 21 September 2018
London, United Kingdom

Resolution Number 464

APPROVED AT THE THIRD PLENARY MEETING,
21 SEPTEMBER 2018

INTERNATIONAL COFFEE AGREEMENT 2007

**EXTENSION OF THE TIME LIMIT FOR
RATIFICATION, ACCEPTANCE, APPROVAL OR ACCESSION**

WHEREAS:

Paragraph (3) of Article 40 of the International Coffee Agreement 2007 stipulates that the Council may decide to grant extensions of time to signatory Governments that are unable to deposit their instruments by 30 September 2008;

Under the terms of paragraph 1 of Resolution 461 the period for the deposit of instruments of ratification, acceptance or approval of the International Coffee Agreement 2007 is further extended to 28 September 2018;

Under the terms of paragraph 2 of Resolution 461, Governments eligible for membership in accordance with Article 43 of the Agreement may accede by depositing an instrument of accession with the Organization no later than 28 September 2018 or such other time as the Council may decide; and

A number of Governments have indicated that they require additional time to deposit the required instruments,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To extend the period for the deposit of instruments of ratification, acceptance or approval of the International Coffee Agreement 2007 with the Depositary under the provisions of Article 40 of the Agreement and of Resolution 461 from 28 September 2018 to 30 September 2019.

2. To extend the period for the deposit of instruments of accession to the International Coffee Agreement 2007 with the Depositary under the provisions of Article 43 of the Agreement and of Resolution 461 from 28 September 2018 to 30 September 2019 or such other time as the Council may decide.



**INTERNATIONAL
COFFEE
ORGANIZATION**

ICC Resolution 465

20 September 2018
Original: English

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International Coffee Council
122nd Session
17 – 21 September 2018
London, United Kingdom

Resolution number 465

APPROVED AT THE SECOND PLENARY MEETING,
20 SEPTEMBER 2018

COFFEE PRICE LEVELS

CONSIDERING:

That current market price levels do not allow coffee growers in most producing countries to cover their production costs, compromising their economic sustainability;

And further that current prices do not reflect the physical market fundamentals;

That consumption is a key instrument to guarantee the economic viability of the coffee value chain;

That the World Coffee Producers Forum has already expressed its concern about the producers' situation and will continue to address this issue in its next meeting in Brazil, July 2019,

THE INTERNATIONAL COFFEE COUNCIL

DECIDES:

1. To launch a global communication plan targeted at consumers, together with producers, the coffee industry, opinion makers, and other stakeholders, using social media and other means of communications in order to show the economic reality of the coffee sector – from the producer to the final consumer – as of the International Coffee Day, October 1st 2018.

2. To instruct the ICO to promote dialogue among all stakeholders in the coffee value chain to ensure the economic sustainability of the coffee producers.
3. To instruct the ICO to ensure that there is an effective exchange between Member countries of national public policy initiatives promoting economic sustainability.
4. To change the priorities of the ICO Strategic Plan to address 'Profitability: Consumption and Productivity' in the coffee year 2018/19.
5. To include the promotion of consumption as a guideline in all action plans of the ICO aiming to implement the 2030 Agenda for Sustainable Development;
6. To encourage exporting Members to adopt programmes to further raise their internal consumption level and encourage the ICO to support initiatives to explore alternative uses for low-grade coffee, in line with Item 9, Resolution 420.
7. To urge the Executive Director to further strengthen ties with the international roasting industry as a matter of urgency, in order to gain support for the implementation of this resolution.