



PRESS RELEASE

Sustainability of coffee: Low coffee prices and the role of women – focus of discussions and decisions at ICO Council

London, 21 September 2018 – The 122nd Session of the International Coffee Council concluded its deliberations today after a week of intense discussions and knowledge-sharing events that culminated in a strong message for the global coffee industry and policy makers. The decision of the Council provides a strong mandate for the International Coffee Organization (ICO) to further analyse the factors driving future and spot market prices for coffee including production and consumption trends and to demand actions from the world community, governments, industry and consumers in order to address the current coffee price crisis and to pursue gender equality across the coffee value chain.

The International Coffee Council – the only international forum bringing together both coffee exporting and importing countries, the public and private sectors and development partners – provides a platform to study and address the challenges facing the global coffee sector including the distribution of official coffee statistics, and the means to attract development funding to the coffee sector.

Over 200 representatives of exporting and importing countries, major coffee private sector associations and platforms, ‘coffeepreneurs’, technology providers and key international organizations and donors supporting the coffee sector gathered in London to discuss how to address emerging issues and the long-term future for coffee producers, traders, industry and consumers.

The annual theme selected by the ICO for coffee year 2017/18, women in the coffee value chain, was addressed and thoroughly discussed during the Council and ICO Members decided that in 2018/19 the Organization must focus on ‘Profitability: Consumption and Productivity’ to respond to the demand by Members to better understand the price structure and volatility affecting coffee growers.

In his address in the Council’s Opening Ceremony, the Secretary-General of the International Maritime Organization, Mr Kitack Lim, stressed that over 70% of green coffee is transported by sea. Ms Luiza Carvalho from UN Women joined all the participants in congratulating the

ICO for pursuing gender equality in the coffee sector in line with Sustainable Development Goal 5 and stated that *“empowering women in the coffee sector is not just the right thing to do but it is also the smart thing to do”*. Ambassador Aly Touré from Côte D’Ivoire and Chair of the International Coffee Council, further stressed that *“supporting women in the coffee sector must continue in order to achieve prosperity”*. Mr Gerardo Pataconi, ICO Head of Operations, on behalf of the ICO’s Executive Director, Mr José Sette, indicated that *“reducing the gender gap in the coffee value chain will not only have a crucial social and economic impact, but will also increase the supply of higher quality coffee. The effect of low prices has a detrimental impact on all producers, but especially women as they are often the most vulnerable in the coffee value chain”*.

Key elements of the week included:

The publication of the ICO study: Gender equality in the coffee sector, which showed “that providing women with access to knowledge and finance can increase quality, yield with positive impact on family wealth and health”.

In the Thematic Workshop: Women in Coffee, the industry’s commitment to gender equality was demonstrated by Nestlé-Nespresso, while other participants presented examples of best practices for gender inclusion and equality.

The English version of the e-book Women of the Coffees of Brazil, the product of the work of the Brazil Chapter of the International Women’s Coffee Alliance and the research organization, Embrapa, was officially launched.

A Memorandum of Understanding was approved and officially signed between the ICO and the International Women’s Coffee Association to pursue collaborative efforts to promote gender equality across the coffee sector.

Concern was voiced by Members, particularly from coffee-producing countries in Africa, Latin and Central America, Asia and the Pacific, 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 aggravating 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.

Professor Jeffrey Sachs, of Columbia University, presented the preliminary results of a 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. The ICO’s assessment of the future of coffee and spot prices and the updated coffee market analysis were presented as stated by José Sette *“ICO analysis suggests that the worst part of the crisis may be approaching its end but this will depend on the development of the Brazilian Real as a result of the elections in that country; in any case the price crisis must not be neglected.”*

To allow coffee stakeholders to access funds and technologies, the week of Council meetings included a Forum on Innovation, a Donors' Forum and a Partnership Fair that brought together key donors (European Commission, Germany, Italy and Japan), international organizations and financial institutions (Afreximbank, Common Fund for Commodities, Conservation International, IFAD, ITC, the GEF, TWIN, UNDP, UNIDO, WTO and STDF) as well as innovative technology providers with solutions on blockchain, insurance schemes for smallholder farmers based on big data, green bonds, trading platforms, impact investment and solutions and best practices to pursue gender equality, address the situation of price and productivity on livelihood of small growers, and climate change. All the solutions aim to facilitate access to funding and blending public and private funds and to contribute to the '*de-commoditization*' of coffee, reducing the vulnerability of green coffee price shocks.

The opportunity offered by the 7th cycle of the Global Environmental Facility (GEF) with available resources of US\$4 billion and which for the first time includes coffee as one of the targeted commodities, was set out in a guide published by the ICO in cooperation with the Sustainable Coffee Challenge (SCC) for the coffee sector were discussed.

In its conclusion, the Council decided to launch a global communication plan to raise awareness among consumers on the economic reality of the coffee sector and called on the ICO to further promote dialogue among all coffee stakeholders, to include the promotion of consumption as part of its efforts to contribute to the 2030 Agenda for sustainable development, explore alternative uses of low-grade coffee, intensify linkages with the international coffee industry and voice the concern of the sector at major international events and organizations, such as the UN General Assembly, the forthcoming Ibero-American Summit of Heads of State and Government in Guatemala, and the meeting of the G20 in Argentina, also requesting the inclusion of coffee as one of the crops monitored under its Agricultural Market Information System (AMIS).

NOTES TO EDITORS

About the International Coffee Organization

The International Coffee Organization (ICO) is a multilateral organization supporting exporting and importing countries to improve the sustainability of the coffee sector. It provides a high-level forum for all public and private stakeholders in the sector; official statistics on coffee production, trade and consumption; and support for the development and funding of technical cooperation projects and public-private partnerships.

As part of the ICO's mandate and Five-Year Action Plan, the Organization's main objectives are to identify innovative solutions to increase social, environmental and economic sustainability and address challenges such as climate change; the livelihood of coffee growers; gender equality; ageing workers and plantations; and compliance with quality and safety standards.

More information at: www.ico.org

About the International Coffee Council

The International Coffee Council is the governing body of the ICO, bringing together Governments from countries which export and import coffee. The Council meets twice a year to discuss wide-ranging issues with the aim of promoting a sustainable coffee sector. The 122nd Session of the International Coffee Council was held from 17 to 21 September 2018 at the International Maritime Organization, London, United Kingdom.

For further information:

ICO Press Office

press@ico.org