



PRESS RELEASE

Overcoming low price level and volatility and achieving long-term sustainability of the coffee sector

London, 23 May 2019 – An ICO-led workshop, focusing on programmes to help smallholder coffee farmers to overcome low price level and volatility and achieve long-term sustainability for the whole coffee sector, was held in Rome on 16 May as part of EXCO2019 – the first global international cooperation Expo.

Bringing together high-level representatives of the coffee industry, financial institutions, governments, development agencies, international organizations and NGOs, this workshop organized in partnership with the Ministry of Foreign Affairs and International Cooperation of Italy, was the fourth of a series of events held this year as part of the ICO's Structured Sector Wide Dialogue. Starting with a Sustainability Seminar in Nairobi in March, and two workshops at the United Nations in April, the aim of the ICO's sector dialogue is to bring together high-level decision-makers to identify innovative, feasible and market-based solutions to tackle coffee price volatility and to reduce the impact of low coffee prices on smallholder coffee farmers, with a focus on long-term sustainability. Supported by a series of economic studies in partnership with prestigious academic institutions and experts, these consultations aim to implement Resolution 465 on Coffee Price Levels approved in September 2018 by the International Coffee Council – the ICO's governing body – which mandated the ICO to take immediate actions in engaging all links in the coffee value chain and the international community.

Moderated by Mr Gerardo Pataconi, Head of Operations of the ICO, and formally opened by Mr José Sette, Executive Director of the ICO, all speakers at the Rome workshop recognized that, despite a healthy and growing demand for coffee, the global sector faced short- and long-term challenges. In the short-term, consistently low prices were having a detrimental impact on the livelihood of coffee farmers, pushing them to abandon production, migrate and even switch to production of illicit crops, and in the long-term climate change would lead to a reduction in origins and potentially affect the future supply and sustainability of the sector.

Only by working together with growers, industry, donors, financial and research institutions could shared solutions be found and funded. Specifically, both speakers and audience members supported the need for concerted actions to de-commoditize the coffee sector and pursue more selective and higher quality production and 'premiumization', to adopt de-risking schemes to foster investment and to help farmers to fight price volatility.

New schemes and programmes to attract more responsible investment in the coffee sector were presented by representatives from the International Fund for Agricultural Development – IFAD (a new hedging mechanism for cooperatives of small farmers), the Food and Agricultural Organization of the United Nations – FAO (new technology and good agricultural practices), and the United Nations Industrial Development Organization – UNIDO (guarantee schemes and increase value addition in coffee-producing countries). Opportunities for public-private partnerships were also discussed by Mr Andrea Illy, Chairman of illycaffè and H.E. Ms Gloria Isabel Ramírez Ríos, Ambassador of Colombia in Italy, who debated the causes of the price crisis, the value creation and distribution of risk and the income of the different components of the coffee supply chain, but agreed on the need to increase value for farmers both referring as an example to the evolution of the wine industry.

Representatives from development partners reported on their programmes to upgrade the coffee supply chain and assist in capacity building, such as targeting the youth to remain in coffee production and to ensure that the economy continued to grow sustainably in economic, social and environmental terms. Ambassador Giorgio Marrapodi – Director-General of Development Cooperation of the Italian Ministry of Foreign Affairs and International Cooperation, Ambassador Nicola Bellomo – Head of the EU Delegation in Rwanda, and representatives of the Italian Development cooperation Agency (AICS) and the Italian development financial institution, 'Cassa Depositi e prestiti', also reported on their commitments to the implementation of the Sustainable Development Goals and to help growers and coffee-producing countries. Ambassador Bellomo also referred to its support for this year's International Coffee campaign through the realization of the 'symphony of coffee' initiative based on the reality of coffee in Rwanda. Interventions from the audience including representatives of Indonesia, Uganda and the EU also mentioned the role of certification and sustainability standards, quality and market transparency and the notion of a living income that would shift the debate from price to the means to assure decent living conditions for coffee farmers and their families.

Following the Rome workshop, the sector dialogue will continue with an ICO-led symposium hosted by the European Commission on 6 June in Brussels, and culminate in the ICO's first CEO and Global Leaders Forum to be held as part of the 125th Session of the International

Coffee Council in September 2019 in London. Here high-profile coffee sector and policy leaders will help to set measurable commitments towards a sustainable future for coffee growers and the whole coffee sector in line with the UN Sustainable Development Goals.

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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.

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 124th Session of the International Coffee Council was held from 25 to 29 March 2019 at the Kenyatta International Convention Centre, Nairobi, Kenya

Resolution 465

<http://www.ico.org/documents/cy2017-18/icc-res-465e-low-coffee-prices.pdf>

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