



**INTERNATIONAL
COFFEE
ORGANIZATION**

PSCB 163/20

12 August 2020
English only

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Private Sector Consultative Board
49th Meeting
8 September 2020
London, United Kingdom

**Communication received from the
India Coffee Trust**

Background

The attached communication has been received by email from the India Coffee Trust.

Action

PSCB members are requested to consider the attached communication.

INDIA COFFEE TRUST

Dear Gerardo,

I would like to make a few comments regarding the Agenda for the PSCB meeting and also touch on a few topics that may be of interest and may be discussed at the meeting. And if necessary at a broader meeting of the ICC.

Our industry has been undergoing an existential crisis since February-March 2020. And the changes that have been wrought far are nothing short of cataclysmic. All indications are that the new abnormal will continue into the indefinite future.

This situation has brought the ICO and the industry to a crossroads. The ICO is being viewed in some quarters as an ineffective Organization unable to find a new vision, unable to act as a catalyst for real change, initiate policy changes in Member countries and thus far unable to convince the Commercial Coffee sector to commit needed resources to generate true sustainability in the Coffee farming sector. It is possible that due to the very structure of the body it is organically unable to do these things.

There is a disconnect between the Producers and the Commercial sector. There is a disconnect between many producer organizations and their own Governments. All this leads to a clear disparity in economic conditions between the Growers on one side and the Roasters, Manufacturers, Traders and Retailers on the other.

The ICO is at a point where it either withers away or reinvents itself. If it is to survive it must reinvent itself. The time to think out of the box is now. And for that we must recast the ICA radically. We have a little time to do so. The ICO was born at the UN in 1962 no doubt, but it is not an Organization created by a Charter of the UN by a Resolution of the UN General Body. The ICA is the result of Coffee producing countries meeting at the UN and agreeing to create an organization to help regulate, monitor and be a forum for discussion in the first instance only producer countries were Members and a year or two later they were joined by some importing countries. This was the creation of ICO.

Therefore if the Members decide to significantly change the structure of the ICO they do not need UN sanction. It is an intergovernmental Organization because the Members created it as so. And they can change it if they so decide. If the Members decide it need not be a purely intergovernmental organization. The Members can agree to change the structure of the body.

Today the ICO is predominantly populated by Producing countries. All of whose Coffee sector has suffered badly for the last few years. This is resulting in a growing inability by these Governments to meet their financial obligations to ICO. Added to this is the erosion of faith by producing countries in ICO.

It is time to consider a major change in the way the ICO is structured. It is time to consider bringing in the Commercial wing of the Coffee industry into the ICO as co-partners with the Member Governments.

It is time to give them a voice of influence in the ICO, not just as members of a peripheral Board/Committee the PSCB but as subscribing members with rights within the structure of the Organization. They should have a place on the ICO table and be integrated into the body. Better minds than mine can devise a way that this can be achieved. Mine is just a concept note.

The advantages are multi fold. We can enlarge the membership with the Commercial sector as part of ICO. ICO would benefit financially from this inclusion. They would be participating in devising strategies and schemes to make the industry sustainable and if they are part of the planning they could with greater ease be part of the funding of these initiatives.

The Commercial sector has deep grass roots connections at every link of the Coffee chain from farmer to consumer. In fact I believe far more real contact than most Governments have with their Coffee sector. Today we are yet to finalize the ICA. We have an opportunity to recast the ICO into a real workable Public-Private Organization in every way.

I do not see Governments or Members both Producers and Importers objecting to this. Public Private partnership is today an accepted idea in the Global economic and administrative sphere. Therefore, I would be grateful if you would circulate this note to the members of the PSCB and add it to one of the Agenda items. Also please ask our members to give their views in advance if possible.

This note could also be circulated to the ICA task force so that it may consider the possibility.

With kind regards,

Anil Kumar Bhandari
Chairman of the PSCB
President - India Coffee Trust