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**Statement by the Executive Director of
the International Coffee Organization,
made at the opening ceremony of the
130th Session of the Council**

Mr John Muldowney, Chair of the International Coffee Council,

HE Iván Romero Martinez, Vice-Chair of the Council,

Excellencies, distinguished delegates, observers, colleagues, ladies and gentlemen,

Welcome to the 130th Session of the International Coffee Council. Once again we meet “screen-to-screen” instead of “face-to-face”. We have learned how to do business this way; I would say that we have even coped quite well. But I still hope that, even in a “new normal” with increased access to work from home and remote business, we shall be able to travel and meet again, in London or elsewhere, to drink a delicious cup of coffee together.

As far as work at the ICO is concerned, we had been following the official guidance of our host government, to the effect that people should work from home, if at all possible. In our previous meeting, I commented on the weakening power of the pandemic in the United Kingdom. On July 19th, the improvement of health conditions led to the announcement of new and less restrictive measures. Our host government revoked its previous instructions for people to work from home if possible. No specific guidance was provided to businesses and organizations such as ours, apart from the statement that “government would expect and recommend a gradual return over the summer.”

We have liaised with other London-based international organizations and kept a close watch on developments in the press in order to execute a phased return to the office. After a period of observation in August, ICO staff members are returning to the office this month and appropriate sanitation measures have been put in place. Initially, staff members will be in the office for at least two days a week. As the situation evolves, the number of days at the office may be revised, always bearing in mind the high productivity that was maintained throughout the period of working from home.

The situation of the international coffee market has changed dramatically in the past few months. In our report on the market in the April session of Council, I called attention to a modest, but steady, rise in prices, caused by concerns about supply, fuelled by a drought in Brazil and two hurricanes in Central America in the second half of 2020. Then, many Arabica-producing areas of Brazil were hit by three frosts in July, two of which were moderate and one severe. Since the last severe frost was in the mid-1990s, this year's frost came as a shock to many. Our thoughts and solidarity are with all farmers whose incomes will be devastated by the damage caused by the frosts. We shall explore the short- and long-term implications for the market as a whole in item 3 of the Council agenda.

We are here today facing a mixture of new and old challenges: a global pandemic, increased price volatility and growing evidence of the impact of climate change on coffee production. But we also need to understand and exploit new opportunities to produce, trade and consume coffee. New options to improve, to "build back much better": a more resilient, inclusive and sustainable world and coffee sector as well.

Today we cannot forget that all of you, both exporting and importing Members, are gathered in this virtual space to find a common vision and to agree and to act in order to provide answers, concrete solutions to bring well-deserved prosperity to the millions of people that grow coffee, as well as those who have once again begun to serve us coffee in bars and restaurants or at home.

In the last few days we have discussed, in our own advisory bodies and in the CEO and Global Leaders Forum, some key issues to be addressed during this important Council Meeting with the aim of reinforcing the ICO so we can continue and improve on our role and function:

- (a) as a neutral and efficient convener of coffee stakeholders from the public and private sectors, as well as from civil society, development partners and

consumers. This was clearly shown yesterday at the 3rd CEO and Global Leaders Forum in which key world coffee industry leaders participated. More details will be presented under item 4 of the Agenda.

- (b) As the acknowledged reference and benchmark for data on coffee for industry, trade, international organizations, academia, the media and consumers; as an advocate for the coffee sector in key international forums, such as the Youth20 coffee day, which was celebrated as part of this year's G20 summit, and within the UN Food Summit and the FAO World Food Forum. These settings enable us to showcase and advocate on behalf of coffee as a key sector, as well as to attract international attention and resources to the importance of coffee as a source of income and jobs, especially for youth and women for the rural population, agriculture, industry and service sectors and for the implementation of UN Sustainable Development Goals.
- (c) As a role model for other commodities and industries, as shown by the significant progress towards a truly innovative and modernized coffee trade agreement, in addition to the Coffee Public-Private Task Force, which is already becoming a new international benchmark for inclusiveness through the integration of the private sector and civil society.

In the interests of time, I will not go into further detail here, but you will learn more about ICO activities in recent months in items 3 and 4 of today's agenda.

As we look into the future, I am pleased to see that the Working Group on the Future of the International Coffee Agreement has made significant progress in recent months under the able leadership of Stefanie Küng. We hope to wrap up the work of the WGFA in the last quarter of the year, so that Members can ratify a modern instrument to serve as a reference for the Organization. You should be proud of your work and of the innovations you want to integrate into the new agreement: Bravo!

Chair and Vice Chair of the Council, excellencies, distinguished delegates, observers, colleagues, ladies and gentlemen,

Never forget that the ICO is you, we just act as a Secretariat, a facilitator to help you reach your objectives. As I have heard several delegates say: "The ICO is what we Members make it." This must always remain clear.

Therefore, if we are recognized by governments and industry as a reliable and key forum for discussion, as exemplified by the unique Coffee Public-Private Task Force, the success is yours. Again, be proud!

If ICO Members—and here I would like to express my special thanks to Germany and Switzerland—and the private sector, as well as key organizations working pro-bono join the ICO and the Task Force and provide resources, this is to support you. This external funding is essential if we are to play this convening role for the world coffee sector. Let me stress once again that without voluntary contributions (whose value is estimated to be between £600,000 to £900,000, in the form of cash and in-kind contributions, equivalent to half of our regular budget) the Task Force could not function. Some of those expenses must be soon funded from the ICO budget, since donors we cannot expect donors to fund expertise forever.

If we want to accomplish all the tasks Members expect from us and get closer to farmers in order to assess and address challenges, mobilize resources, we need stability and adequate funding. Always bear in mind that our budget was painfully reduced from 3 million pounds in coffee year 2016/17 to under 1.9 million in the next coffee year and our staff cut by more than half over the same period. We must stop this life-threatening haemorrhage, while also absorbing some new blood. From this perspective, I am glad to report that Nigeria has completed its internal procedures for membership. We expect to receive Nigeria's instrument of accession in the near future. Meanwhile, we will renew the efforts to attract new members, which have been hampered by the covid pandemic and budget reductions.

Together we can advance towards a sustainable, inclusive, resilient and prosperous coffee sector and help especially the farmers, the smallholders at the base of the coffee global value chain. However, we know that most farmers are not able to perceive a prosperous future for themselves and their families, and are unable to keep the talents and energy of the young generation on the farm, to produce coffee rather than be forced to migrate and abandon coffee landscapes.

In a few months you will be choosing my successor, who will need your support and that of our excellent and committed staff. However, he or she needs to be provided with adequate financial and human resources. I know that the coffee sector, especially producers, have been going through very hard times in recent years, with low prices and the covid-19 pandemic. However, prices have risen substantially after recent climate

events. We all know that coffee prices are cyclical and that what goes up today will go down tomorrow. Even so, we can foresee a few years of higher prices. This change in prices gives us a window of opportunity to invest more resources in the ICO, so that the Organization can fulfil the functions that Members need from us. I am optimistic that the new ICA will provide an even greater opportunity for success; however, you must all do your part by paying your contributions in a timely fashion and engaging with our work. Take advantage of the many tangible and intangible benefits of membership in the ICO. Do this for your country, for coffee growers, for stakeholders throughout the value chain and for consumers. And do this for my successor, so that the ICO can continue to play its key role in the coffee sector. Again, be proud for what you have accomplished, be proud to be the International Coffee Organization.

Thank you