



Organización Internacional del Café
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PC 31/05

13 October 2005
Original: English

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Report of the Steering Group on Promotion on the meeting of 26 September 2005

1. The Steering Group on Promotion, chaired by the Executive Director, Mr. Néstor Osorio, met in Salvador, Brazil on 26 September 2005.

Item 1: Adoption of the Agenda

2. The draft Agenda contained in document WP-SGP No. 10/05 Rev. 1 was adopted.

Item 2: Promotion activities

Item 2.1: Promotion activities in 2004/05

3. The Executive Director said that the Step by Step Guide to promote coffee consumption had been made widely available in English and the Spanish version would be distributed at this meeting. It would be useful to know what use was being made of the Guide by Members. He noted that it had been suggested that it might be useful to prepare a simpler version of the Guide. Finally, he said that the Guide had been presented at meetings in a number of countries, with the latest presentation taking place during the RAMACAFE meeting in Nicaragua in September 2005.

4. The Group noted the importance of promotion activities and further noted the work of the marketing promotion group in Brazil which had used strategies such as the Seal of Purity and quality activities to promote coffee consumption. Supermarkets also had an important role to play in increasing sales and it was important to demonstrate that new coffee products could generate profits such as through sales of gourmet coffee. A request was made to coordinate a meeting to present the Guide to representatives of the different groups of the coffee sector in the Central American region, so that the strategies to promote consumption

could be used on a regional basis. The Group noted that this request could be discussed during these meetings, and that one possibility would be for such a meeting to take place at the time of Sintercafe in Costa Rica.

Item 2.2: Promotion activities in 2005/06

China

5. The Executive Director said that at the meeting of the Promotion Committee in May 2005, the Committee had noted that exporting Members had agreed to allocate up to US\$15,000 for him to develop a proposal to increase coffee consumption in China. He had subsequently contacted Mr. Paul Hai Wang who had developed the proposal to renew promotional activity in China (document WP-SGP No. 12/05) for consideration by Members.

6. In discussions on this item, Members highlighted the need to take a long-term approach to promotion and invest in activities over 10-15 years rather than one to two years and to look at the strategies used by Japan and other Asian countries. The Group also noted that at the 2nd World Coffee Conference, Colombia had proposed making a contribution for promotion in the expectation that it would be matched by the coffee industry.

7. Although a reservation was expressed about the low cost of the project in relation to what was involved, the Group agreed that the proposal should be implemented, noting that it would be important to brief Mr. Paul Hai Wang clearly about the expected outcome – for example, it could be useful to look at the roast and ground sector where there was good potential.

Seal of Approval

8. The Executive Director said that he had been contacted by representatives of the Norwegian Coffee Association (NKI) regarding activities developed by the Norwegian Coffee Brewing Centre (KTS). He noted the long-standing relationship with the NKI, which had been established in 1962, and had received funds for promotional campaigns from the ICO and the World Coffee Promotion Committee. The possibility had arisen of certifying coffee machines with a Seal of Approval which could be endorsed by the ICO. Given the reputation of the Centre and its contacts with the industry and the ICO, and the importance of brewing as part of the approach to quality, this was an interesting proposal.

9. Mr. Larsen of the NKI introduced a proposal for cooperation with the Norwegian Coffee Association on a Seal of Approval initiative contained in document WP-SGP No. 11/05. The NKI had suggested that the ICO could recommend on its website that approved brewing equipment be used by the coffee industry and by households, and could also include a link to the European Coffee Brewing Centre (www.ecbc.info).

10. The Group took note of document WP-SGP No. 11/05. In discussions on this item, attention was drawn to possible legal implications – such as whether the ICO might be liable if a machine was rejected or caused injuries, or possible legal action by companies manufacturing the machines. There might also be implications for access to the European market for uncertified machines. The ICO should consider the matter of endorsement as this would set a precedent for it to endorse other initiatives in the future, and should ensure that any use of its logo was to the benefit of Members.

11. The Group noted that the Executive Director would report to the Promotion Committee that Members were receptive to the proposal, and had noted the importance of brewing equipment for coffee quality; however further analysis was needed on some aspects of the proposal. The Executive Director would investigate further and consult Members, who were also requested to give further consideration to the initiative.

Salon International de l’Agriculture, 2006, Paris

12. The Executive Director said that in May 2005, Mr. Philippe Juglar of Agro Business Consulting Development (A.B.C.D.) had made a presentation on the 2006 Salon International de l’Agriculture (26 February – 6 March 2006). Information about the event had been circulated after the meeting, for exporting Members to consider the possibility of participating and providing funding for the event during coordination meetings. Mr. Juglar had subsequently contacted a number of exporting Members to provide technical, financial and promotional information about the event.

13. Information about the Salon and possible costs received from A.B.C.D. was circulated at the meeting (subsequently circulated as document WP-SGP No. 13/05). The Group noted that the Executive Director would consult Members during the week to see if there was sufficient interest in participating in the event.

Other new project proposals

14. The Group noted that no new project proposals had been received since the last meeting in May 2005.

Item 3: Coffee and health

15. The Chairman of the Private Sector Consultative Board (PSCB) said that the PSCB had received presentations on the Health Care Professions – Coffee Education Programme (HCP-CEP) and the Positively Coffee Programme. In the case of the latter, the Institute for Scientific Information on Coffee (ISIC) had contributed seed money for a three year period, however more funding was needed to enable research to continue and to develop materials to promote coffee and health. He recommended that a small working group in the ICO should

be set up to look at ways of achieving funding to develop this and other programmes, from sources such as the Common Fund for Commodities (CFC). In the case of the HCP-CEP, the ISIC Board had contributed funding to develop this programme in Europe, working in partnership with national associations. Six countries were currently participating and the results to date were very encouraging.

16. The Chairman of ISIC noted that a proposal to raise awareness of anti-oxidants in coffee had been put forward. The proposal would involve 26 countries but needed further consideration.

17. The Group noted that a proposal for exporting Members to support coffee and health programmes had been introduced to the Promotion Committee in May 2005 (WP-Promotion No. 6/05). This had been superseded by document WP-Promotion No. 6/05 Add. 1. The Group further noted that exporting Members considered that the Positively Coffee Programme was a valuable initiative, and would consider the proposal during coordination meetings this week. However, their priority continued to be to develop solutions to the crisis, including domestic consumption.

Item 4: Resources for promotion and pledging meeting

18. The Executive Director said that he had circulated document ED-1955/05 to Members in June 2005, requesting Members to send him by 15 August 2005 their views and suggestions on options for securing resources for promotion in view of the importance of promotion activities under the 2001 Agreement, and the need to implement the Action Plan to increase coffee consumption. In this document he had highlighted the current limited resources in the Promotion Fund of around US\$270,000 and had noted that possible options could include re-establishing contributions from all Members to a new Promotion Fund, a pledging meeting, funding or in-kind support from private sector companies and associations, and cooperation with multilateral donor institutions. Alternatively, funds could be generated exclusively on a project-by-project basis, with each project providing some funding for supervision and evaluation. Projects could then be submitted to suitable donors or financial institutions. The document also drew attention to the concern about the lack of human resources in the Organization to encourage, co-ordinate and supervise promotion activities.

19. The Executive Director reported that only one response to this document had been received, from Japan, which considered that based upon the beneficiary payment principle, only the countries that carried out promotion and benefited from it should contribute to the fund to promote consumption. Therefore, it was opposed to the re-establishment of contributions by all Members, including consuming Members. Moreover, it considered that it would be practical and appropriate to adopt paragraph 4 of the document, a project by project strategy, on the basis of the above principle. In addition, it would be appropriate to make better use of international institutions, such as the Common Fund for Commodities.

20. The Executive Director reminded Members that the Special Fund established by exporting Members currently amounted to some US\$1 million, and these monies could be better used on promotion activities rather than sitting in the bank. He invited exporting Members to consider this matter in their coordination meetings.

21. The Group took note of this information and also noted that the Chairman of ISIC would discuss with ISIC members the possibility of contributions to promotion activities to reach the possible future target of 150 million bags of coffee consumption which had been raised during the Conference.

Item 5: Other business

ASIC Conference 2006

22. The Group noted that the 26th ASIC Conference would take place in Montpellier in September 2006.

Item 6: Date of next meeting

23. The Group noted that its next meeting would take place at the ICO headquarters in January 2006. The date and time would be confirmed after this meeting.