



International Coffee Organization
Organización Internacional del Café
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PRESS RELEASE

**ICO Executive Director welcomes
U.S. Resolution on world coffee crisis**

The Executive Director of the International Coffee Organization, Mr. Néstor Osorio, has welcomed the adoption by the United States House of Representatives on 15 November of Resolution 604 on the world coffee crisis. Mr. Osorio stated:

“The adoption of a Resolution by the U.S. Congress calling on the USA to adopt a global strategy to respond to the coffee crisis and to support multilateral efforts to this end represents a key step by the world’s largest consuming country towards rejoining a framework for international cooperation to address issues and problems affecting the coffee sector, on which some 125 million people depend for their livelihoods.

I was particularly happy that the House recognized the importance of ICO Resolution number 407 establishing minimum quality standards for exportable coffee and urged the U.S. private sector to work with the Government to find a sustainable solution to the crisis that will address the fundamental problem of over-supply.

In September 2002 the International Coffee Council formally adopted Resolution number 413, inviting the United States of America to rejoin the International Coffee Organization. It is my hope and conviction that this Resolution of the House of Representatives represents an important step towards this end, and hence to the United States resuming its rightful place in international cooperation on coffee.”

The text of the U.S. House Resolution is attached.

***About the ICO:** Established as an intergovernmental organization in 1963 to serve the international coffee community, the ICO is the focus for international cooperation on coffee matters, coordinating activities with other international agencies and bringing together producing and consuming Governments and private sector representatives to exchange views and address policy issues. In October 2001, the latest International Coffee Agreement entered into force, with new objectives including promoting quality, promoting coffee consumption and encouraging the development of a sustainable coffee economy. The ICO provides the following services: up-to-date information and statistics; innovative projects to benefit the world coffee economy; economic studies; and promotion of coffee consumption in emerging markets.*

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Resolution of the U.S. Congress House of Representatives on the Coffee Crisis

H. Res. 604

In the House of Representatives, U.S.,

November 15 (legislative day, November 14), 2002.

- Whereas since 1997 the price of coffee has declined nearly 70 percent on the world market and has recently reached its lowest level in a century;
- Whereas the collapse of coffee prices has resulted in a widespread humanitarian crisis for 25,000,000 coffee growers and for more than 50 developing countries where coffee is a critical source of rural employment and foreign exchange earnings;
- Whereas, according to a recent World Bank report, 600,000 permanent and temporary coffee workers in Central America have been left unemployed in the last two years;
- Whereas the World Bank has referred to the coffee crisis as ‘the silent Mitch’, equating the impact of record-low coffee prices upon Central American countries with the damage done to such countries by Hurricane Mitch in 1998;
- Whereas 6 of 14 immigrants who died in the Arizona desert in May 2001 were small coffee farmers from Veracruz, Mexico;
- Whereas The Washington Post, The New York Times, and The Wall Street Journal report that cultivation of illicit crops such as coca and opium poppy is increasing in traditional coffee -growing countries, such as Colombia and Peru, which have been adversely affected by low international coffee prices;
- Whereas the economies of some of the poorest countries in the world, particularly those in Africa, are highly dependent on trade in coffee;
- Whereas coffee accounts for approximately 80 percent of export revenues for Burundi, 54 percent of export revenues for Ethiopia, 34 percent of export revenues for Uganda, and 31 percent of export revenues for Rwanda;
- Whereas, according to the Oxfam International Report “Mugged: Poverty in your Coffee Cup”, in the Dak Lak province of Vietnam, one of the lowest-cost coffee producers in the world, the price farmers receive for their product covers as little as 60 percent of their costs of production and the income derived by the worst-off farmers in that region is categorized as ‘pre-starvation’ income;
- Whereas on February 1, 2002, the International Coffee Organization (ICO) passed Resolution 407;
- Whereas Resolution 407 calls for exporting member countries to observe minimum standards for exportable coffee and provide for the issuance of ICO certificates of origin according to those standards;
- Whereas ICO Resolution 407 calls on importing member countries to “make their best endeavors to support the objectives of the programme”;
- Whereas both the Specialty Coffee Association of America (SCAA) and the National Coffee Association (NCA) support ICO Resolution 407 and have publicly advocated for the United States to rejoin the International Coffee Organization;

Whereas on July 24, 2002, the Subcommittee on the Western Hemisphere of the Committee on International Relations of the House of Representatives held a hearing on the coffee crisis in the Western Hemisphere;

Whereas the United States Agency for International Development (USAID) has already established coffee sector assistance programs for Colombia, Bolivia, the Dominican Republic, East Timor, El Salvador, Ethiopia, Guatemala, Haiti, Honduras, Nicaragua, Panama, Peru, Rwanda, Tanzania, and Uganda; and

Whereas the report accompanying the Foreign Operations, Export Financing, and Related Programs Appropriations Bill, 2003 (House Report 107-663), highlights the coffee price crisis as a global issue and ‘urges USAID to focus its rural development and relief programs on regions severely affected by the coffee crisis, especially in Colombia’: Now, therefore, be it

Resolved, That –

- (1) it is the sense of the House of Representatives that –
 - (A) the United States should adopt a global strategy to respond to the coffee crisis with coordinated activities in Latin America, Africa, and Asia to address the short-term humanitarian needs and long-term rural development needs of countries adversely affected by the collapse of coffee prices; and
 - (B) the President should explore measures to support and complement multilateral efforts to respond to the global coffee crisis; and
- (2) the House of Representatives urges private sector coffee buyers and roasters to work with the United States Government to find a solution to the crisis which is economically, socially, and environmentally sustainable for all interested parties, and that will address the fundamental problem of oversupply in the world coffee market.