



International Coffee Organization
Organización Internacional del Café
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PRESS RELEASE

Diversification of production in marginal coffee areas in the State of Veracruz, Mexico

The Executive Director, Mr. Néstor Osorio, participated on 27 March 2006 at the launch of a new project, sponsored by the International Coffee Organization (ICO) and financed by the Common Fund for Commodities (CFC) together with the Government of Mexico. The ICO will also be acting as supervisory body and the Veracruz Produce Foundation will manage the project as the Project Executing Agency. In his address Mr. Osorio explained the role of the Organization as an instrument of rural development and poverty alleviation, and emphasized ICO initiatives in the areas of quality and increasing coffee consumption.

At the project launch the Executive Director was joined by Lic. Fidel Herrera Beltrán, Governor of the State of Veracruz, Dr. Raúl Arias Lovillo, Rector of the Universidad Veracruzana, Mr. Caleb Dengu, representative of the CFC, and many other authorities and technicians involved in the coffee sector.

The project aims to secure diversification from coffee production in marginal areas located below 600 metres above sea level by adopting more profitable and viable alternative crops. This will also help coffees produced at higher altitudes to be marketed at better prices and with an improved image. An important element in the choice of alternative crops is forest products, which require a long-term investment but have considerable potential. Another objective is to develop production methods with an optimal environmental impact. It is hoped that the methodologies developed will serve as models for other coffee producing countries too.

The total cost of the project is some US\$4,450,000 of which the CFC is contributing with around US\$1,000,000 as a grant and US\$1,530,000 as a loan. The Government of Mexico is due to contribute US\$1,120,000 in co-financing and the University of Veracruz will provide counterpart contribution in kind valued at some US\$800,000.

***About the ICO:** The International Coffee Organization is an intergovernmental organization created under the auspices of the United Nations to serve the international coffee community. Established in 1963, the ICO is unique in bringing 74 producing and consuming countries together to exchange views and address policy issues. In the last four calendar years, average world coffee exports amounted to some US\$6 billion worth of coffee, and average world imports amounted to some US\$9 billion worth of coffee each year. The ICO provides the following services: up-to-date information and statistics; innovative projects to benefit the world coffee economy; country coffee profiles and economic studies; and promotion of coffee consumption in emerging markets.*

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