



Organización Internacional del Café Organization
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Organisation Internationale du Café

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Report of the Private Sector Consultative Board on the meeting of 21 May 2008

1. The Private Sector Consultative Board (PSCB), chaired by Mr Christian Rasch Topke of the National Coffee Association of Guatemala (ANACAFÉ), met on 21 May 2008.

Tribute to Dr Ernesto Illy

2. The Chairman paid a tribute to Dr Illy, one of the original members of the PSCB, who died on 3 February 2008. A minute's silence was observed.

Item 1: Adoption of the Agenda

3. The PSCB adopted the draft Agenda contained in document PSCB 106/08 Rev. 1.

Item 2: Report on the meeting of 26 September 2007

4. The PSCB approved the report on the meeting of 26 September 2007 contained in document PSCB-105/07.

Item 3: Chairman's report

5. The Chairman asked members to consider producing statistics for the private sector, not in competition with the Organization's official statistics, but complementary to them. The question would be considered further under Item 4 below. He suggested that the matter could also be pursued in the Statistics Committee meeting later the same day.

6. The PSCB took note of this request and further noted the request for PSCB members to confirm the contact details of their PSCB representatives and alternates for 2007/08 and 2008/09 to the Secretariat on the forms provided.

Item 4: Statistics

7. The delegate from the European Coffee Federation (ECF) made a presentation on key statistics of the European coffee market, including imports per type of coffee, country of origin, and coffee stocks in ports. This was followed by a presentation by the delegate from ANACAFÉ on statistics from Guatemala analysing how exports from his country were divided and showing a distinct trend towards quality. A book entitled the “Green Book” on Guatemalan Coffees was distributed to members of the Board: additional copies of this are available upon request from the Secretariat for interested parties.

8. The delegate from the Speciality Coffee Association of Europe (SCAE) noted that the value of statistics lay in their consistency over a number of years. This was a considerable concern: some countries produced data on a regular basis which users could rely upon. However, many others did not. A query arose whether there were better ways of collating statistics: for example, could the grade of coffee be entered on the Certificates of Origin? One could see from the quality of the ECF and Guatemalan statistics that much of the information was already there; while data might not be available by port, aggregate figures might be possible? The delegate from the ECF said that he would investigate this.

9. The Executive Director reminded the Board that the ICO could only supply data which had been provided by the Members. However, he would welcome any further input from the PSCB. He noted that the emphasis in the new Agreement was on better and more informative statistics. He queried the definition of speciality coffee: there appeared to be no agreement on a definition, whether it was a form of marketing strategy, or whether there was a real differentiation in the coffee. The PSCB could play a valuable role in this respect as adviser to the Council.

10. The delegate from the ECF agreed that there was a need for a common definition of speciality coffee. The delegate from the Association of Indonesian Coffee Exporters (AEKI) reported that in Indonesia there were four sources of statistics, two public and two private. The Certificates of Origin remained the most important source of data. He would like to put forward these suggestions from the PSCB to his capital. Another delegate said that the critical question was whether quality overall was rising or falling: in other words, whether increasing production in Vietnam and Brazil was displacing lower quality production elsewhere. He agreed that the information on the Certificates of Origin was critical, as was the need to agree common definitions on quality, defects and speciality coffee.

11. The Board took note of this information.

Item 5: Coffee and health

12. The Programme Coordinator gave a presentation on the status of the Positively Coffee programme. The website had been upgraded; the feedback form had been revised; the topic slides were available in the four official languages; the banner stand was now available in CD-Rom form; and the podcast had been moved into the public area. In terms of interest, the website had registered over 20,000 hits in March and this had grown to 23,000 in April, 50% of which were in English and the balance evenly distributed between the other three languages. Sign-ups for the Newsletter had also continued to grow, with the majority from the coffee trade, but a good proportion from academia and government too. The Programme had helped coffee organizations in Norway, Cameroon and the Côte d'Ivoire, and she would attend meetings in Denmark and El Salvador shortly.

13. The delegate from the ECF congratulated the Programme Coordinator on the work done. He noted that changes in legislation within the EU meant that one had to be much more careful about claims made in published materials. The Executive Director agreed that Positively Coffee had created a significant amount of awareness of the issue of coffee and health: the Programme had started as a tool in importing countries, but it was soon realized that the message was equally applicable to exporting countries. The question remained as to how the future development of the Programme would be financed; he appealed to the producing countries to examine the issue of funding, and to consider whether the Special Fund could be used in some way for this purpose. He understood that the Institute for Scientific Information on Coffee (ISIC) would look at the funding issue in October.

14. The delegate from ISIC confirmed that his association would review this question in October. He emphasized that the review should not be viewed in a negative light; personally, he would be surprised if ISIC were not to continue its involvement in some way since they saw great value in conveying a consistent, coordinated message. Several other delegates voiced their support of the programme and stressed the importance of positive messages about coffee and health.

15. The Programme Manager then gave a presentation on the Health Care Professions – Coffee Education Programme. She welcomed the participation of three new countries for which programmes were being developed: Spain, Portugal and Germany. The existing and the new programmes would be reviewed in January 2009.

16. The Board took note of this information.

Item 6: Food safety aspects

17. Dr Euan Paul reported on OTA. There were no significant developments since the previous meeting. It was critical that levels of OTA be kept at an absolute minimum in green coffee. Turning to acrylamide, he noted that this was a food industry problem, not merely

coffee. It had existed ever since fire had been used in cooking. A meeting of world experts in the field was taking place the same week: the danger was that the experts would devise a limit and that legislators would implement this. It remained a serious, ongoing issue.

18. Dr Paul also reported on furan, an even more critical issue than acrylamide. The issue would be reviewed again at the end of 2008. Coffee was the main contributor of furan, but the coffee industry had never been able to devise a method of reducing it. He reported that the Coffee Science Information Centre (CoSIC) had produced a new document which could be viewed on its website: www.cosic.org.

19. The delegate from the National Coffee Association of the USA (NCA) reported that three issues were of concern at present. There was the question of diacetyl in California: the legislation had been defeated, but could emerge again. Secondly, caffeine was being considered for a label warning on reproduction problems, again in California. Finally, there was a more general issue of food safety legislation: a number of bills were being considered which could have negative implications for coffee: e.g. imports of coffee into ports where there was no Federal Drugs Administration laboratory; and bills with quality implications. Many of these bills were nonsensical and would involve no benefit for the consumer, but could imply huge costs for importers and the industry.

20. The Board took note of this information.

**Item 7: Implementation of the
Coffee Quality-Improvement Programme (CQP)**

21. The Executive Director introduced document EB-3947/08 containing a report on the CQP. He reported that 28 countries were now implementing the Programme, representing 68% of exports.

22. The representative of the SCAE said that a broader statement on the implementation of Resolution 420 was needed. It was time to revisit the question of triage: prices were better, therefore this represented a good opportunity. The Executive Director said that there were no specific plans to do so at present: a project in Costa Rica had been abandoned and a pulverization project in Mexico was continuing.

23. The Board took note of this information.

Item 8: International Coffee Agreement (ICA) 2007
Item 8.1 Preparations for implementation of the ICA 2007
and
Item 8.2 Terms of reference for the PSCB

24. The Executive Director referred the Board to the strategic action plan and the terms of reference for the new ICO bodies, as well as to the terms of reference for the PSCB contained in document PSCB-107/08.

25. The delegate from the NCA drew the Board's attention to the US's comments on Rule 35 concerning the appointment of the PSCB's Chairman. It was his delegation's view that the Council appointed the members of the PSCB and that the Board should appoint the Chairman. Several delegates supported this view. The Chairman noted that this proposal was contained in document PSCB-107/08 and he recommended that the Board's view be conveyed to the Council that the status quo should be maintained.

Item 9: International Coffee Genome Network (ICGN)

26. There was no report available.

Item 10: 3rd World Coffee Conference

27. The Executive Director reported that an invitation to the 3rd World Coffee Conference had been received from Guatemala and a decision on this matter would be taken by the Council during the week. It would most likely take place in September 2009 or early 2010: the latter date was preferred by Guatemala for climatic reasons. The Conference would be held in Antigua, Guatemala in conjunction with the normal ICO meetings. The representative from ANACAFÉ made a presentation on Guatemala and its attractions.

28. The Board took note of this information.

Item 11: Other business

29. The Chairman reported that Mr Yamada of the All Japan Coffee Association (AJCA) was retiring and that this would be his last meeting of the PSCB. He thanked Mr Yamada for his contribution to the Board over many years. The Executive Director and other Board members added their thanks and best wishes.

30. The Executive Director reported on the status of discussions relating to the Brazilian soluble coffee industry within the World Trade Organization: there had been no additional movement on this issue, but the dialogue would be maintained.

31. The PSCB noted that the ECF had requested that the number of its seats on the Board be reduced from three to one. Although no official nominations for replacements had yet been received, the Brazilian Coffee Industry Association (ABIC), currently an alternate member of the Board, had expressed interest in one of the two vacant seats. The Executive Director reported that the rules of the PSCB were clear: these vacancies should be filled by associations from importing countries. There was therefore a legal obstacle. However, if the Board considered it appropriate, alternative solutions could be considered.

32. The representative of the NCA noted that his association did not differentiate between consumers and producers, but viewed the coffee sector as a global industry. They also felt that Canada would make an excellent addition to the Board. The delegate from the SCAE welcomed the idea of ABIC; he would also welcome Canada; and perhaps a seat could be offered to encourage other non-member countries to join, such as countries in the Middle East. The Executive Director reported that he had also been approached informally by Russia.

33. The Chairman noted that there was a consensus within the Board to respond positively to ABIC: a way to advise the Council on this issue should be sought.

34. The delegate from the NCA reported that the Farm Bill in the US contained a voluntary programme relating to child labour. It was possible that some retailers might adopt this legislation and seek compulsory rather than voluntary participation. The NCA was working on this issue. He also confirmed that the NCA and ANACAFÉ were working on a forum to identify emerging issues two to three years in advance: the objective was to mitigate negative issues and enhance positive issues. They aimed to produce a strategy in September 2008 and would then consider how the strategy should be executed.

35. The delegate from the Eastern African Fine Coffees Association (EAFCA) expressed concern about February as a time for meetings in the future: this was a busy time in East Africa. He also invited Board members to EAFCA's meeting from 12 to 14 February 2009.

36. The Board took note of this information.

Item 12: Future meetings

37. The PSCB noted that its next meeting of the Board would take place at 09:30 on Wednesday, 24 September 2008.