

COFFEE: A LOOK FORWARD TO 2030

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Sintercafé, Costa Rica
11 November 2017

WHO WE ARE

The International Coffee Organization (ICO) is the main intergovernmental organization for coffee, bringing together exporting and importing Governments to tackle the challenges facing the world coffee sector through international cooperation.



SUMMARY

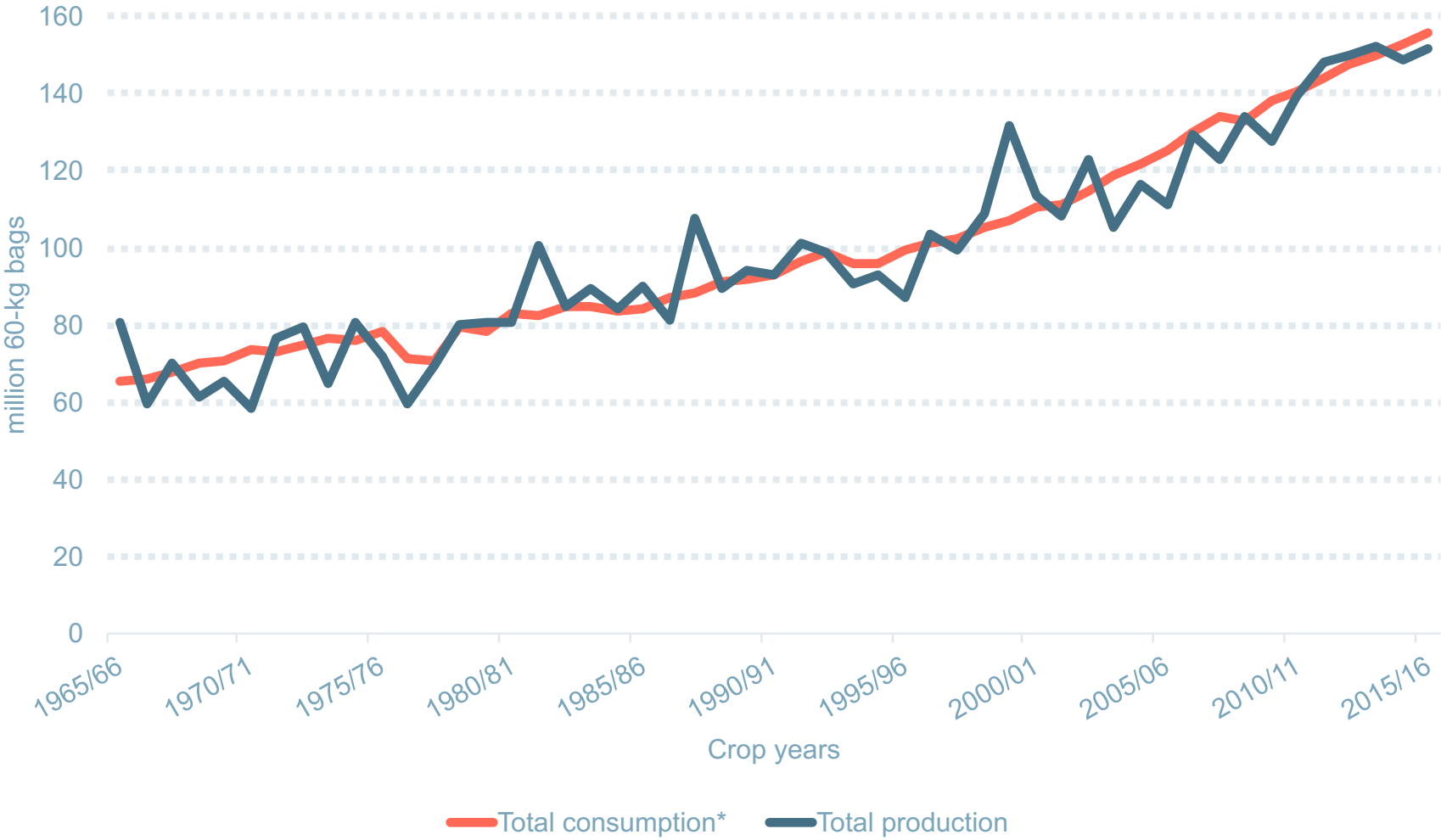
1. Supply & Demand till 2030
2. Challenges to a Sustainable Coffee Sector
3. Role of the OIC
4. Mission to Central America – First Impressions





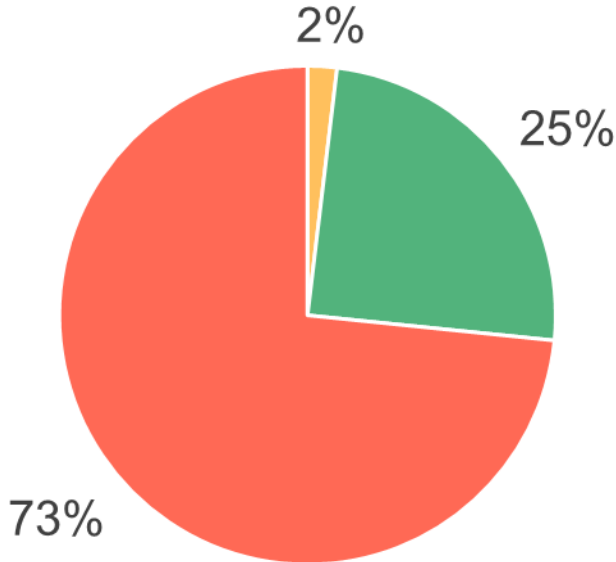
**SUPPLY
& DEMAND**

WORLD SUPPLY/DEMAND BALANCE

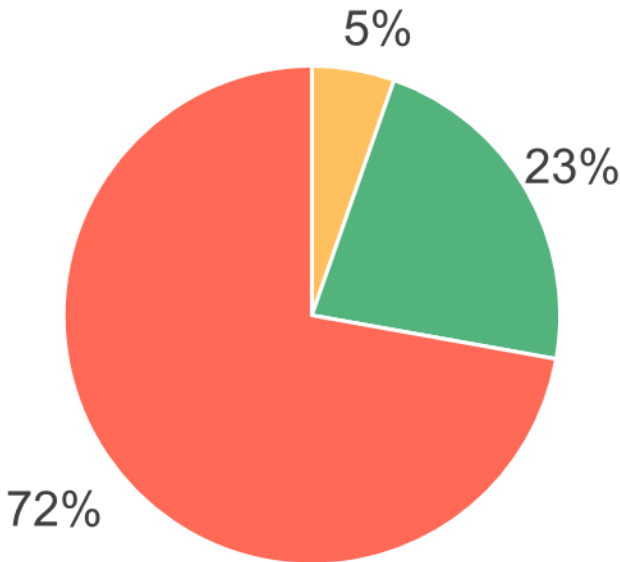


CHANGE IN STRUCTURE OF WORLD CONSUMPTION

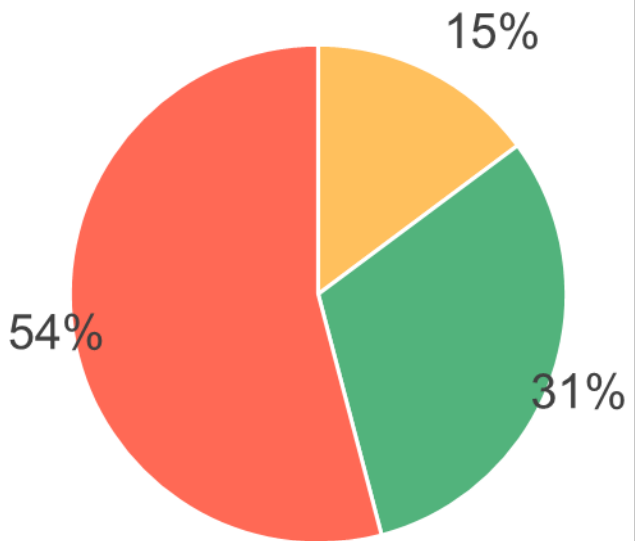
1965



1990



2014



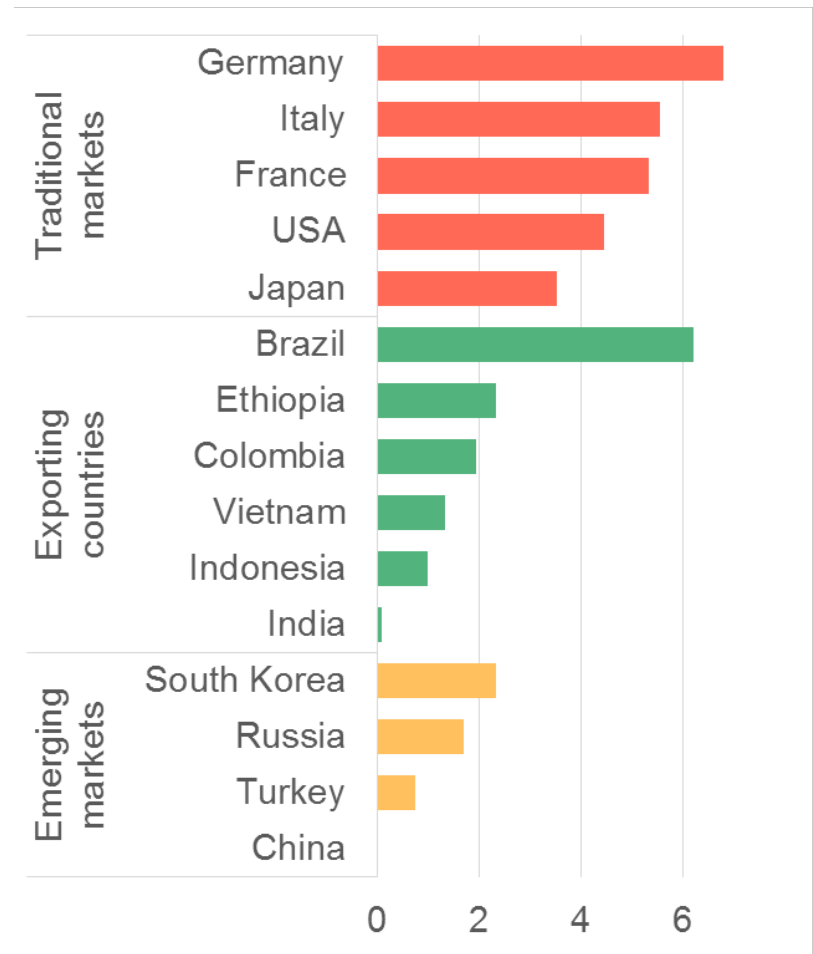
■ Emerging markets ■ Exporting countries ■ Traditional markets

Source: ICO

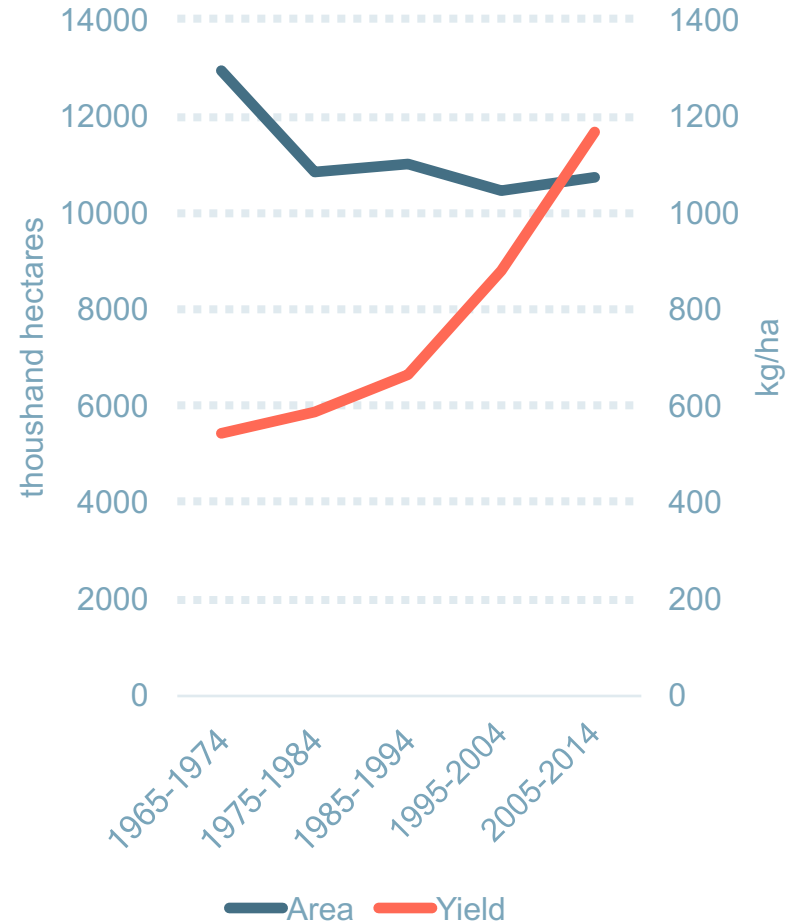
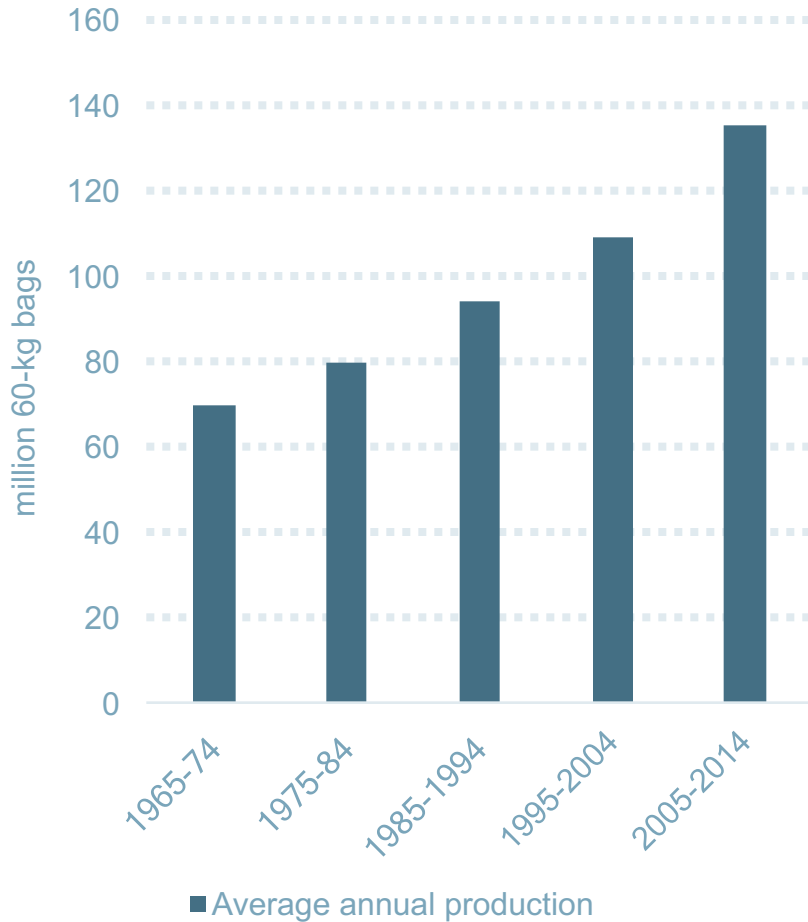


POTENTIAL FOR FURTHER GROWTH IN DEMAND

- Large potential for further growth in exporting countries and emerging markets
- Per capita rates still well below those in traditional markets
- Particularly in countries with large populations (China, India, Indonesia)
- Brazil as the model for other countries to emulate

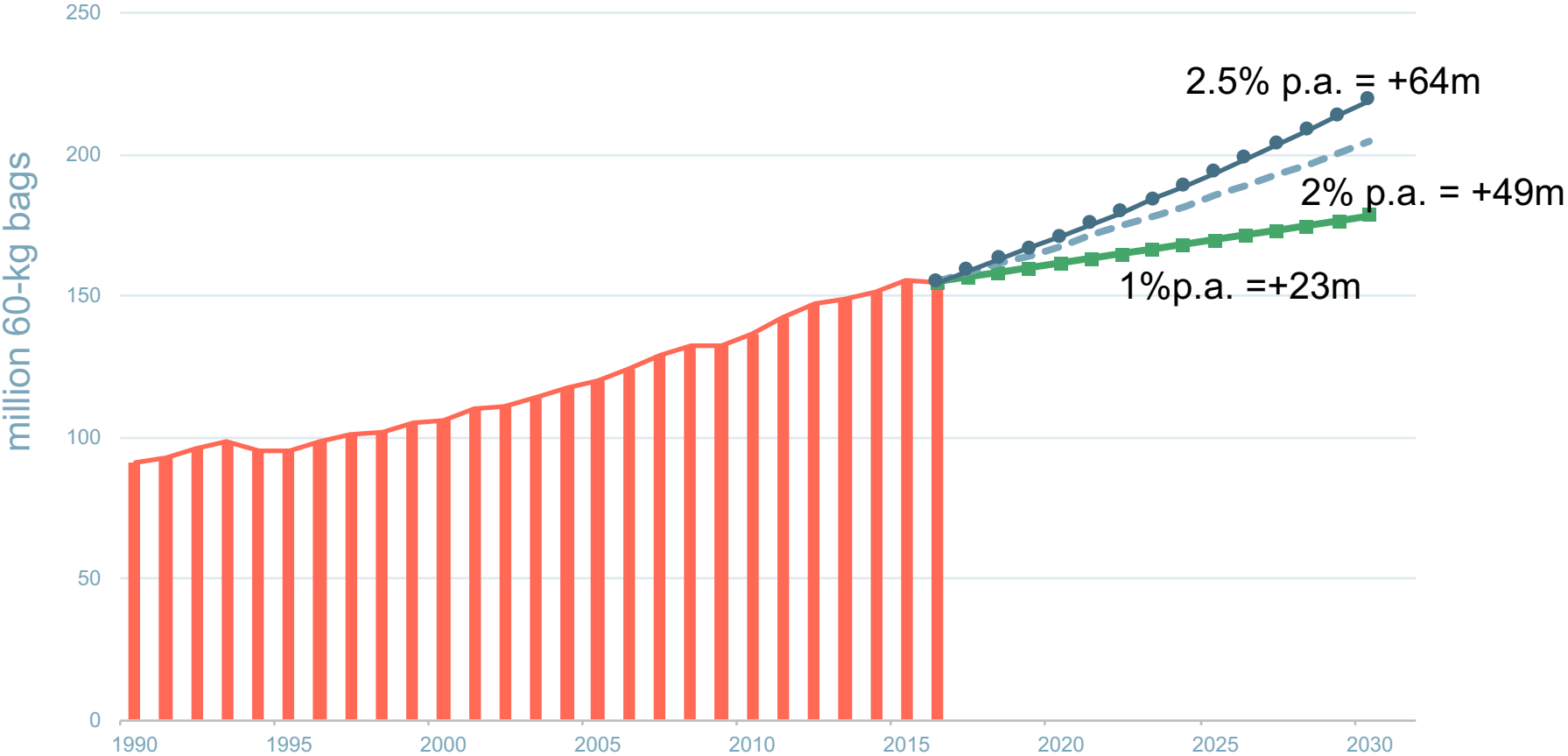


WILL POSITIVE SUPPLY TREND CONTINUE?



SUPPLY REQUIREMENT IN 2030

World Consumption



CHALLENGES TO A SUSTAINABLE COFFEE SECTOR



SUSTAINABILITY OF COFFEE SECTOR

- A sustainable coffee economy is based on the well-being of the various actors in the chain, particularly the producers who are the weakest link in this relationship.
- A sustainable coffee farmer will meet long term environmental and social goals while being able to compete effectively with other market participants and achieve prices that cover his/her production costs and allow him/her to earn an acceptable profit margin.



Challenges to a sustainable coffee sector

- **Economic sustainability**

- Adequate income for coffee farmers
- Improved farm productivity
- Farming profitability
- Access to market and transparency
- Quality product and traceability
- Access to finance
- Diversified income generating activities



Challenges to a sustainable coffee sector

- **Social sustainability:**
 - Improved living conditions
 - Gender equality in coffee farming
 - Adequate farm working conditions
 - Improved farmer skills
 - Healthy farming practices
 - Effective farmers' organizations and positive impact on their communities
 - Food security



Challenges to a sustainable coffee sector

- Environmental sustainability

- Adoption of good agricultural practices
- Non-harmful soil fertility management
- Integrated pests and diseases management
- Adequate water management
- Waste management
- Conservation of biodiversity
- Land/forest protection





**ROLE OF
ICO**

MISSION OF THE ICO

International Coffee Agreement 2007

The objective of this Agreement is to strengthen the global coffee sector and promote its sustainable expansion in a market-based environment for the betterment of all participants in the sector

MEMBERSHIP AS AT NOVEMBER 2017 (78 COUNTRIES)

44 EXPORTING MEMBERS

	ANGOLA		MADAGASCAR
	BOLIVIA, PLURINATIONAL STATE OF		MALAWI
	BRAZIL		MEXICO
	BURUNDI		NEPAL
	CAMEROON		NICARAGUA
	CENTRAL AFRICAN REPUBLIC		PANAMA
	COLOMBIA		PAPUA NEW GUINEA
	CONGO, DEM. REP. OF THE		PARAGUAY
	COSTA RICA		PERU
	CÔTE D'IVOIRE		PHILIPPINES
	CUBA		RWANDA
	ECUADOR		SIERRA LEONE
	EL SALVADOR		TANZANIA
	ETHIOPIA		THAILAND
	GABON		TIMOR-LESTE
	GHANA		TOGO
	GUATEMALA		UGANDA
	HONDURAS		VENEZUELA, BOLIVARIAN REPUBLIC OF
	INDIA		VIETNAM
	INDONESIA		YEMEN
	KENYA		ZAMBIA
	LIBERIA		ZIMBABWE

7 IMPORTING MEMBERS

	EUROPEAN UNION		SWITZERLAND
	JAPAN		TUNISIA
	NORWAY		UNITED STATES OF AMERICA
	RUSSIAN FEDERATION		



STRATEGIC OBJECTIVES

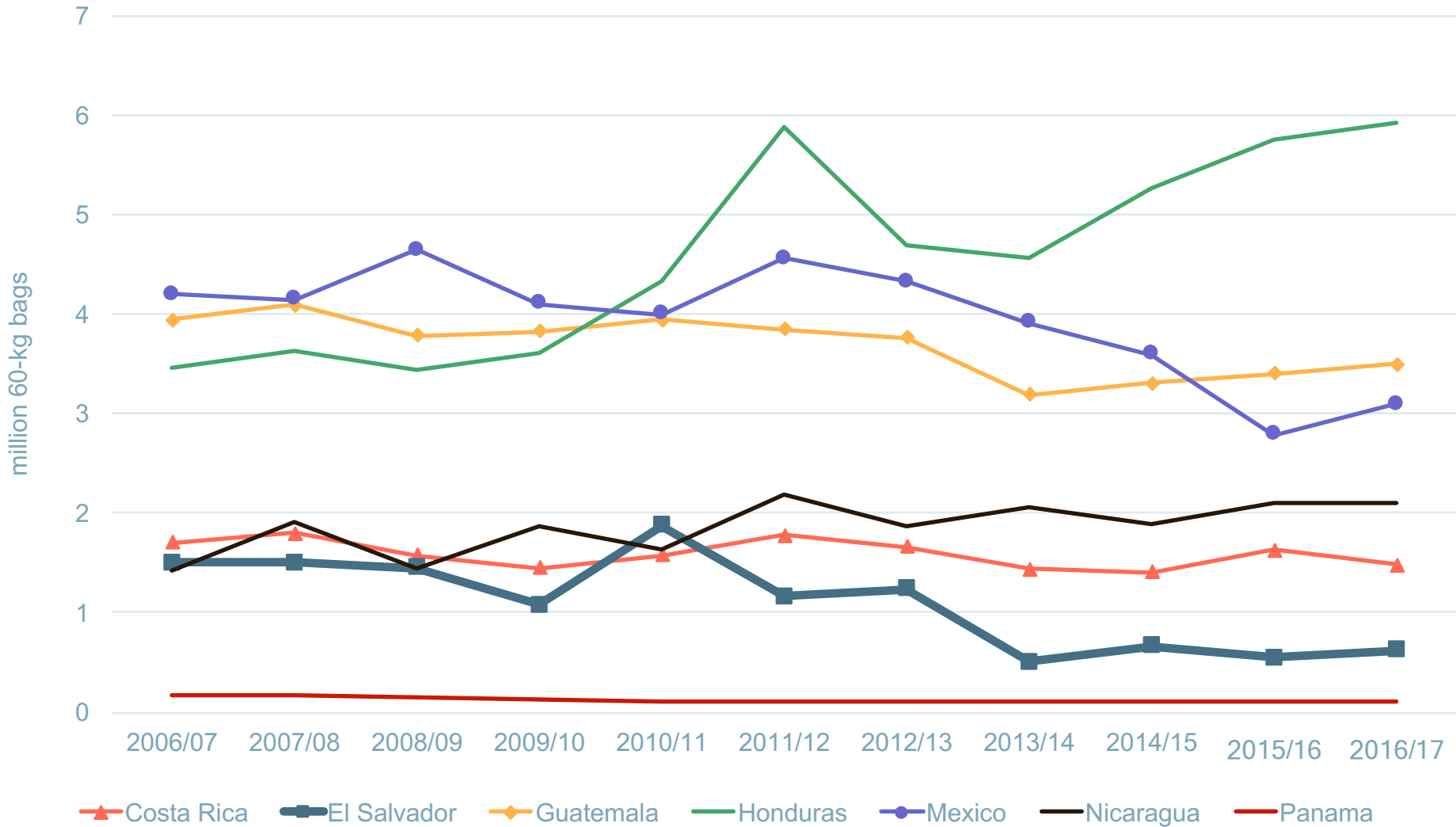
- 1) Provide world-class data and analytics
- 2) Provide forum for dialogue within public sector and with private sector/civil society
- 3) Build partnerships for promotion and projects





**CENTRAL
AMERICA**

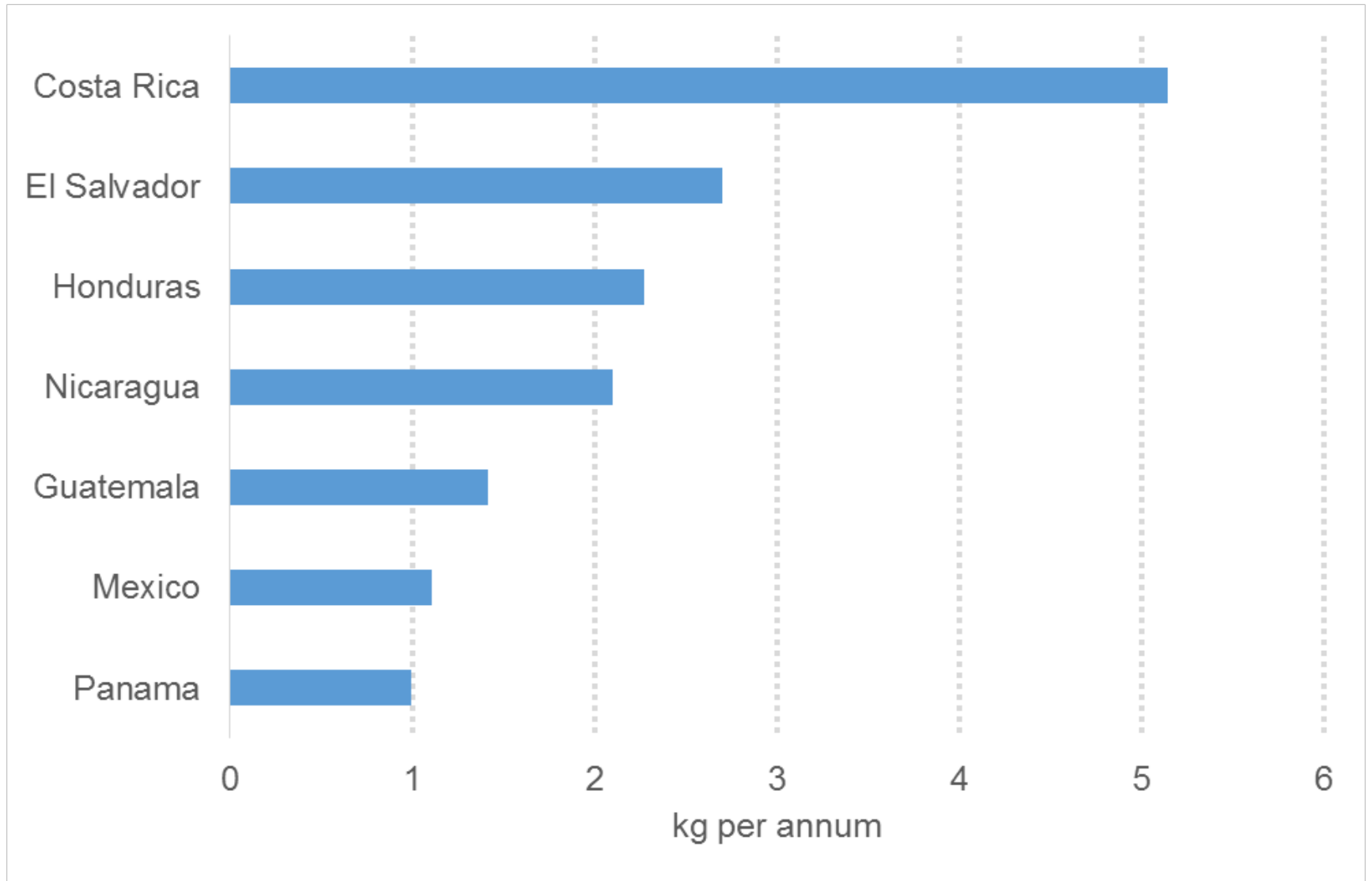
PRODUCTION BY COUNTRY



FIRST IMPRESSIONS

- Domestic consumption has room to increase

PER CAPITA CONSUMPTION (2016)



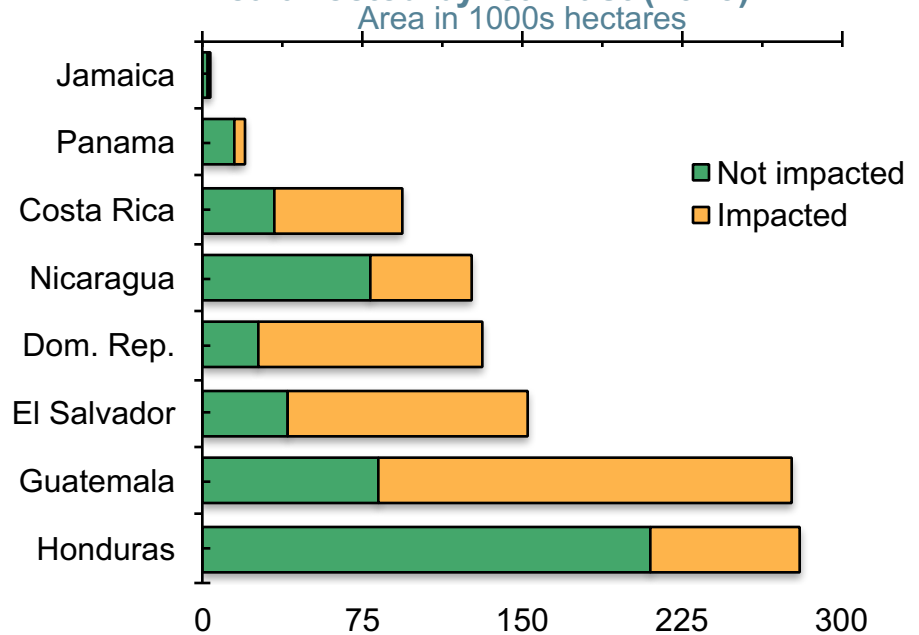
FIRST IMPRESSIONS

- Domestic consumption has room to increase
...Robusta may be part of the solution
- Certifications: Doubts about benefits vs. costs
...avoid duplication by consolidation/collaboration
- Climate change is already a reality

EXTREME WEATHER VARIABILITY LED TO LARGEST OUTBREAK OF COFFEE LEAF RUST IN MESOAMERICA DURING 2013



Area affected by leaf rust (2013)



Causes:

Rain and temperature variability

Humidity: ideal conditions for spores

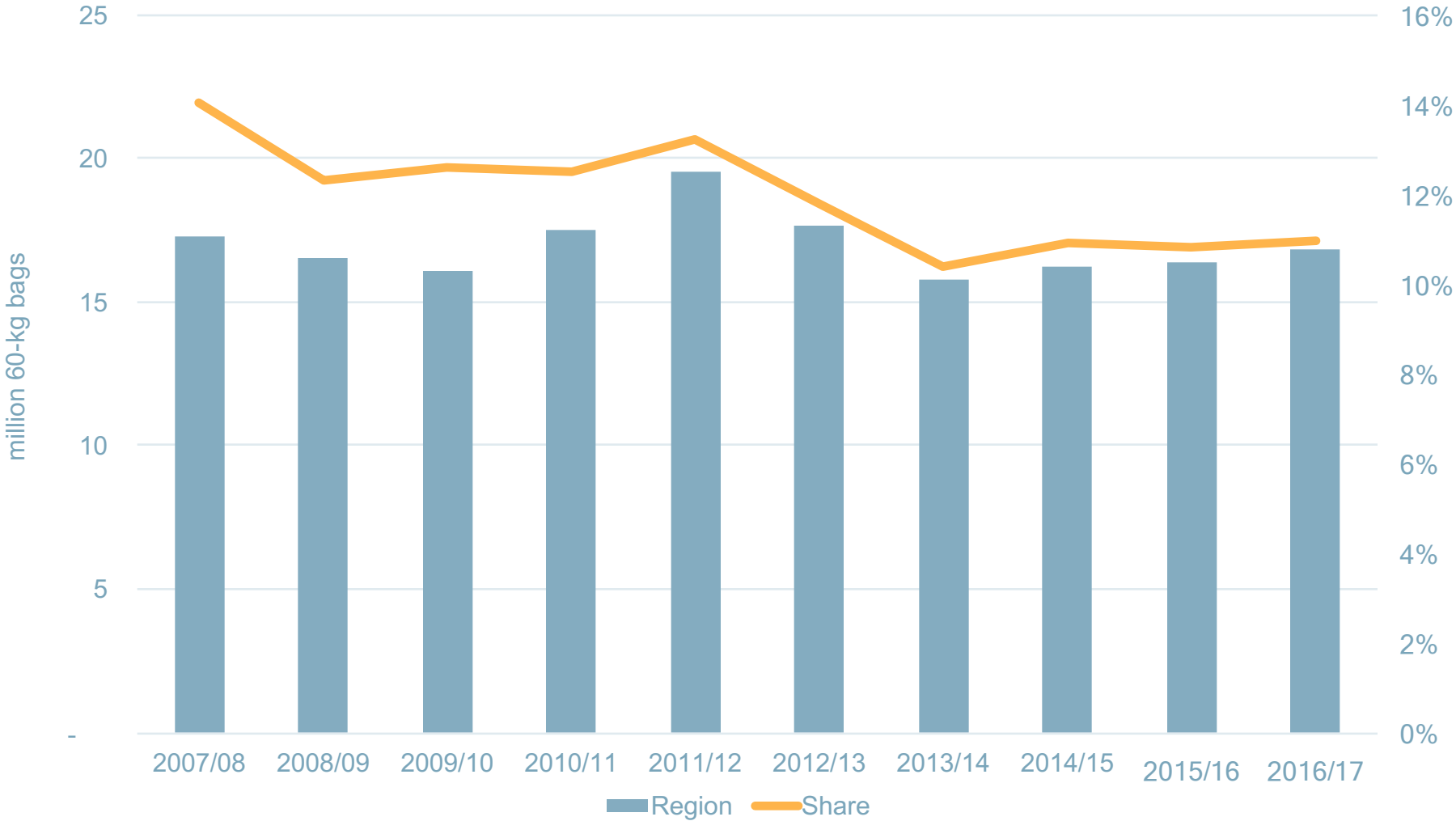
Impacts:

- >50% area was impacted by coffee leaf rust
- Estimated 375,000 jobs lost
- US\$500 mlns in economic loss

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- Climate change is already a reality
 - ...need to strengthen adaptation/mitigation initiatives
- Specialty market is the preferred strategy
 - ...but must be allied with research into productivity/cost reduction
- Central America has strong coffee institutions
 - ...but needs an enabling environment

PRODUCTION



FIRST IMPRESSIONS

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- **Low prices raise questions about long-term supply from region**

CONCLUSIONS

The ICO plays a key role in:

- Facilitating and exchanging information
- International advocacy of coffee
- Establishing partnerships between the public and private sectors, as well as with civil society



**INTERNATIONAL
COFFEE
ORGANIZATION**

Muchas gracias