



Organic Coffee information system - a feasibility study

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Executive Summary

Note: a Spanish version is found in Annexe A.3.

In the period December 2001 to July 2002 a feasibility study was carried out on behalf of Sida to investigate:

- the establishment of an coffee market information system and
- the establishment of a system of production methodology development and sharing of experiences of the growers.

Information was collected from producing countries, certification bodies, importers and roasters, international organisation, consultants, producers and literature.

The international market for organic coffee is currently estimated to 25 000 tons, with the bulk originating from Latin America. The organic coffee market is estimated to represent 0,5% of the total market. Major markets are USA and Western Europe. The countries with the highest market share are Sweden and Denmark. It should be noted that the statistical basis is quite weak.

The report relates the collected information, opinions and suggestions and summarizes the findings. The reports concludes that certification organisations have data available, but that they are not so motivated to share information, while national sector or trade organisations may be better motivated. The restrictions regarding the certification organisation's ability to participate in activities to improve production are identified as a problem. Even more problematic will it be if the right to perform advisory services within Internal Control Systems were limited.

All stakeholders agree that there is a need for better, easily accessible and reliable market information for organic coffee production and trade. The report recommends that Sida should enter into a dialogue with one or more international organisations for a program for the collection and dissemination of such information. Such a program should be working with existing national sector bodies. As possible such international organisations have been identified: IFOAM, ICO, ITC, FAO and SANFOOD

Also in relation to an organised system for exchange of information and knowledge about organic production methods and technologies, there is general agreement that such a system would be valuable. In this field should local, national and regional organisations play the major role, but there is also a need for international coordination. Possible international organisations for such a program are IFOAM and FAO.

Scope, methods and activities

Terms of Reference

On behalf of Sida Grolink has made a feasibility study about

- the establishment of an coffee market information system and
- the establishment of a system of production methodology development and sharing of experiences of the growers.

The output of the study should be a:

1. identification of which sources that can be used for the maintenance of reliable information and statistics about the production and marketing of organic coffee, and a proposal for a system how this information can be collected and made available.
2. Identify which organisations or structures in the producing countries, primarily Latin America and Africa, that could participate in regional networks for sharing of experiences and development of methods
3. Make a proposal for a long term global project for implementation, including the identification which organisation is the most appropriate to host such a project

The full Terms Of Reference are attached in Annexe B 1. (in Swedish).

Consultants

Consultants

Per Jiborn, Peru Consult AB and Gunnar Rundgren, Grolink AB.

Contracted local consultants/information gatherers

The following persons have submitted information to the project

Country	Local consultant
Brazil	Maria Cristina Prata
Columbia	Elsa Nivia
El Salvador	Ana Elena Escalante
Mexico	Internet / CMC
Peru	Silvia Arispe / Cocla & Esteban Vargas T.
Ethiopia	Agro Eco & Morten Scholer (ITC)
Kenya	Agro Eco & John Njoroge
Tanzania	Agro Eco
Uganda	Alan Tulip

Methods and activities

Information gathering and questionnaires

Questionnaire to certifiers

A questionnaire (see Annexe B.4.) was sent out to more than 50 certification agencies, selected from Grolink's database. The purpose was to find out what information the certification agencies have on file and their willingness to share the information, as well to what extent they would accept that the inspectors are used for advice and transfer of know-how. Despite several reminders only 8 responded. Of these eight, are five major actors in organic certification of coffee. No US based certification agency responded. For the organic coffee marketed in Europe the responding certifier together certify probably more than half of all organic coffee sold.

Country studies

The purpose of the country studies was to get an overview of what is already done today in regard to the compilation of statistics of production and marketing. In addition, the current situation for advice and technology transfer was asked for, as well as to what extent inspectors and Internal Control Systems play or could play a role in technology transfer.

Around ten countries in Africa and Latin America were selected on the basis of their importance in conventional and organic coffee production as well as of the availability of interested local consultants to conduct the surveys. The survey managed to cover most of the important countries, representing at least 50 percent of the total production of organic coffee. The consultants worked on the basis of a questionnaire (annexe B.5.) in English or Spanish. For Peru the results of the questionnaire were complemented with a recent study by COLCA and for Mexico the data was generated through web search. More information from Mexico and Central America had been desirable, but no suitable local consultants agreed to do the work within the financial limits.

Internet screening

Close to hundred web sites were screened for background information and to assess what information is already easily available. A list of the most relevant sites is found in Annexe A.2.

Interviews with stakeholders

Organic coffee roasters and importers

Three Swedish roasters (also importers), with a market share of around 30 percent were interviewed as well as a representative for the sector organisation Svensk Kaffe Information. A major transnational coffee shop company was also interviewed.

Producers or producer organisations

A number of rather informal dialogues were held with producers at various occasions, mainly at the BioFach Fair.

International organisations

The following international organisations were contacted/interviewed

FAO

GEF/SANET

ICO
IFOAM
IICA
ITC

Consultants and others

Agro Eco Consultants
David Giovanucci

Report and proposal

Based on analysis of the information and the feedback this final report was developed.

The organic coffee production and market – current situation

The ToR for the study didn't specify that the report should give a detailed overview of the current situation of production and markets. However it is natural to report some of the information generated by the investigations. The generation of the data is in itself a test of how information can be collected.

Production

The job to compile information indicates rather mixed attitudes to publishing or giving out information about the countries production and export. In the case of Mexico, probably the largest exporter of organic coffee, data is readily available on the Internet. In other countries this has no priority, or information is not available at all. The study shows big differences in the quality of and reliability of reported information.

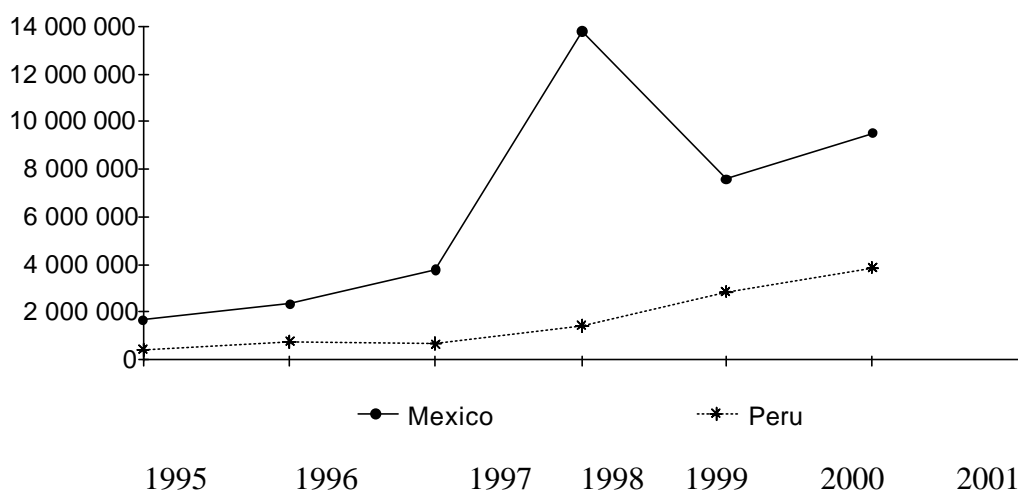
To give a fair picture of the global trade or certified organic coffee is to solve an equation where neither the total sum nor the sub totals are known. There may also be differences between data that is based on the production and data built on the actual sales, as some coffee may be organically produced but is sold in the conventional market. Some sources indicate that 1 percent of the coffee is sold as organic. This is likely to be an exaggeration. The conducted investigations show that a more realistic figure is somewhere around 0,5 percent for year 2000, which corresponds to 25 000 ton green beans.

National data for exports are only exact and presumably reliable for two countries - Mexico and El Salvador. For Peru there are also fairly exact export data available as well as detailed figures of production, number of producers and acreage. Columbia can present fairly reasonable estimates while figures from Brazil (of 13 000 tons) have not been confirmed, and are probably exaggerated considering the rather low number of importers that claim to use Brazilian organic coffee.

An overview of the exports for 2002, with reservations for the accuracy of the data is the following:

Country	Exports (Mt)	Share
Mexico	9 497	38 %
Peru	Approx 3 900	15 %
Colombia	Approx 1 000	4 %
El Salvador	246	1 %
Tanzania	160	<1 %
Uganda	Approx 1 250	5 %
Other	8 000	31 %
World	25 000	100 %

An initial assessment of the national data for export and production of organic coffee raise a number of issues requiring further analysis. E.g. it would be interesting to know why the exports from Peru show a steady growth of around 50 per cent per annum, while exports from El Salvador reached a peak 1998 and then stagnated. The biggest producer, Mexico, shows an erratic development with big variations, peaking in 1998 possibly as a combined result of prices and climatic conditions affecting the yield.



Market situation

Also when looking for market data there is a lack of reliable data, and for a number of markets, such as the Japanese market, this study is forced to make a number of advanced assumptions. For the European market a recent study claims that 13 000 tons of organic coffee is imported to Europe. The study, that was based on telephone interviews with around hundred companies, shall not be seen as absolute, and the interviewed Swedish sources find them somewhat exaggerated in the assessment of the Swedish market. The US market is assessed by one study to be in the range of 4-5 000 tons, while other sources claim that organic coffee has a one percent market share, representing a three times bigger figure.

An overview of the global market 2000 would be the following:

Market	Import organic (Mt)	Share	Total import (Mt)	Market share organic coffee
<i>Europe</i>	13 000	54 %	2 743 434	0,5 %
<i>USA</i>	7 000	29 %	1 429 611	0,5 %
<i>Japan</i>	2 000	8 %	418 513	0,5 %
<i>Others</i>	2 000	8 %	1 408 442	0,1 %
World	24 000	100 %	6 000 000	0,4 %

In Europe the Germany, Sweden, Denmark and the Netherlands are the major importers. Taking the import market share into consideration Sweden and Denmark have the highest import shares for organic, above 2 per cent. Import figures don't always reflect the size of the domestic markets. The Netherlands is re-exporting approximately 80 per cent of the organic coffee it imports, and substantial quantities of roasted organic coffee is sold from Denmark to Sweden.

Result of studies

Country studies

Latin America – production statistics

In many Latin American countries there is already some kind of compilation of national statistics for organic coffee. From **Mexico, Peru** and **El Salvador** it is possible to get rather reliable figures, also for several years. This is important in order to monitor and analyse the development. The methods to collect the data differ. In Peru a sector trade association is compiling information from the three most important certification bodies in the country, while in El Salvador it is based on data from the exporters' association. In El Salvador organic coffee is identified as such in the export documents, which makes this possible. In Mexico the system seems to be similar.

In Peru and El Salvador, there are also quite detailed data about the number of growers, the acreage and the geographic origin of the coffee.

In **Colombia** and **Brazil** there are plans for compilation of similar statistics. In Colombia the data has been incomplete because the certification bodies have not supplied the data, as they claim that they are prevented from doing it due to confidentiality reasons. The coffee sector association claim that all information is already available within the export statistics, and that it could be compiled on request.

Africa – production statistics

In comparison with Latin America there are bigger problems to get data from the African countries **Ethiopia, Kenya, Tanzania & Uganda**. To a certain extent it reflects that the coffee sector is less developed in general and the organic coffee in particular. In none of the four countries there is any organised collection of data for production or export of organic coffee. However, in most cases the export is carried out by a very limited number of exporters and data can often be obtained from them.

The responses to the questionnaire were less specific about the possibilities to collect statistics. Growers, buyers, exporter and certification bodies were all indicated as possible sources of information, but it was emphasised that it costs to compile the information. National initiatives were not identified except for in Kenya, where there were indications of possibilities to generate statistics through the coffee sector organisation. From other countries there is only data for individual projects. The responses indicate that there are a number of organic coffee projects under development, many of them supported by foreign development assistance.

Latin America – Methods and extension

The questionnaires from Latin America show a clear need to improve the work in technology development, education and extension. The current situation varies and El Salvador and Mexico seem to have the most developed situation.

Almost a dozen national and international certification bodies are active in certification of coffee. Of these **BioLatina**, **OCIA**, **Naturland/IMO Control**, **BCS Öko Garantie** works in several countries.

In all the countries there is an awareness that international norms do not allow that inspections are combined with extension and advice, and that the credibility of the inspector can be undermined if they participate actively in advisory activities. However, there are variations in how this is interpreted in the countries. In Brazil it is understood as if the inspectors shall give any advice during the visit, while in Peru inspectors may not inspect production where they have been engaged in an advisory capacity (i.e. working with or being paid for that kind of work) the last two years.

Most respondents note that the inspectors have a unique competence and experience that should be possible to use in a more efficient way than today. In all the countries are Internal Control systems (a kind of self-control in a group of producers that enables a reduction of the external inspections) wide spread. From Peru it is complained that also for these the potential of these systems are not used, but they are limited to supervision and control. These Internal Control Systems should be used more for technology development and extension.

Africa – Methods and extension

Also here the responses from Africa were more general and brief. From three countries there is information about the major certification bodies, **IMO**, **KRAV** and **Soil Association**, and in two countries organisations that offer agriculture extension are identified. To use expensive foreign inspectors for advisory work is not seen as feasible, and it is again pointed out that the inspectors may not participate in advisory activities. It is reported that extension activities are combined with internal inspections within Internal Control Systems.

Results of questionnaires and contacts with certifiers

The purpose of the questionnaire to the certifiers were to explore the possibility for certifiers to play a major role in the data collection as well as the possibilities that the inspectors could be engaged in activities related to production methodology. The rationale for using certifier for data collection would be that that they have to collect this data in any case. The rationale for using inspectors for production methodology development would be that they visit all farms, and have first hand knowledge, and that the costs for their visits are covered by the certification fees.

Collection of basic data

All certifiers are collecting the following information from the producers:

- The area of coffee that is certified
- The area of coffee that is under conversion
- The varieties grown or at least the distinction between Robusta and Arabica
- The quantities produced
- The quantities sold

Willingness to participate in information gathering

The certifiers were asked: *“Is your organisation willing to participate in a regular sharing of such information on a country level. You would be expected to give a **summary for the***

country of the data that you indicate that you collect above (you would not have to disclose the production of individual producers). All those participating in the system would also get the results.” All certifiers were prepared to supply such information, with some minor reservations. However 5 of the 8 certifiers indicated that they would only do that if they got full cost coverage for the work incurred. One certifier indicated that they would be willing to do this for free if they found that the results would be of value.

The consultant's own experience of getting accurate information from certifiers is not so encouraging. In many cases the data is there, but there is really no mechanism for getting the information in an easy way, which is probably the reason for the request for cost coverage, as a lot of manual work is required. When it comes down to sales there is also a certain resistance to provide information.

Host of information system

Of the 6 certifiers responding to the question of which organisation that could be a host of a data collection system, all of them listed IFOAM as a possible host for such a system. Other organisations mentioned were, ITC (2), ICO (1), Sida (1), GTZ (1) and FAO (1). One respondent referred to a national system in Colombia.

Production methodology

The certifiers were asked by different questions if and how inspectors could be used in activities related to sharing of experience on production and development of production methods. Not surprisingly, there is little willingness to participate in this:

- 3 of the certifiers don't allow the inspectors to discuss such issues at all.
- Further, all respondent made restrictive statements as:
 - "Our inspectors restrict discussions to what is general knowledge in organic farming and coffee production"
 - "the technical part we want to be kept separate from inspection (for clarity and impartiality)"
 - "...is of the opinion that inspectors may be compromised if they adopt a role as advisers. The certification body may choose to operate in an advisory capacity, but the separation of certification from advice must be distinct."

This corresponds well with the international norms for certification and inspection as laid down in the ISO 65 and the IFOAM Accreditation Criteria for certification.

Internal Control systems

Most coffee is grown by Grower Groups where "internal inspections" are carried out by staff employed by the project – often referred to as Internal Control System (ICS). In many cases the persons doing this are also engaged in extension activities. Certifiers were asked if their policies are limiting this and to what extent they know how much the ICSs are engaged in advisory work.

Four of the eight certifiers have strict limitations also on ICS staff to perform advisory functions. Two of them say they can do advisory work but not for the same farmers as they inspect, and two says that ICS staff may not at all get engaged in advisory activities.

Four respondents said that the ICS staffs are engaged in advisory work with the producers.

ISO 65 and IFOAM Accreditation Criteria

As has been noted above there are international norms that guide how inspection and certification is carried out. The major such norms are the ISO Guide 65 and the IFOAM Accreditation Criteria. In the ISO 65 is written:

“it (the certification body) shall not:

- 1) supply or design products of the type it certifies,*
- 2) give advice or provide consultancy services to the applicant as to methods of dealing with matters which are barriers to the certification requested,*
- 3) provide any other products or services which could compromise the confidentiality, objectivity or impartiality of its certification process and decisions;”*

Apart from having a similar general clause as the ISO 65, the IFOAM Accreditation Criteria address the issue of giving advice to operators in a more specific way:

“Consultancy services provided to operators

Pre-assessment of production to identify areas of weakness and propose improvements may be done as part of the certification process.

The certification programme may offer advice to the certified operators relevant to the compliance with organic standards, but this information shall not be offered for any additional fees.

Generic information, training and advice (as such are included newsletters, seminars etc.) may be offered to all certified operators in a non-discriminatory manner, not excluding additional fees “

In the DRAFT new version (due for decision Aug 2002) of the IFOAM Criteria this is re-written as: *“Specific advice given by inspectors to operators shall be limited to explanations of the standards or certification requirements. This information shall not be offered for additional fees and shall not prescribe solutions. Certification bodies may provide general information (training, newsletters, seminars etc.) for additional fees, provided this service shall be offered to all certified operators in a non-discriminatory manner.”*

How does this relate to Internal Control Systems?

Currently there is no agreement among the certification bodies as to what extent the staff of Internal Control Systems can also engage in an advisory capacity. Some certification bodies see no problem with this, in contrary they encourage this, while others think that also on this level there is a need for a complete separation of duties and functions. International norms don't specifically address the issue, which can be understood as if they don't pose an obstacle.

Results of interviews with stakeholders

International organisations

ITC has published a study on Organic Food and Beverages 1999 (funded by Danish government). ITC is also engaged in the development of a large organic coffee project in Ethiopia.

ITC is since 25 years running the Market News Service that is operating with a number of products, among others Fresh Horticultural products, Fruit Juices and pulps. The Market News service is forwarded to subscribers all over the world by e-mail, fax or mail. Subscribers in the least developed countries get it for free. The system is based on a network of informers. A staff person from ITC calls them up on a regular basis (different for the different products, as some of them are more stable and some are rather volatile re supply and prices). The informants are not paid, but they get information in exchange. In bigger markets there may be several informants. The Market News Service could be one model for an information system for organic coffee. A description of the Market News Service is found in Annexe B.4.

IICA. (Instituto Interamericano de Cooperación para la Agricultura / Inter American Institute for Cooperation in Agriculture). IICA perform some training activities in Organic Agriculture. IICA might be interested in an information system (for the Americas only). A magazine on organic coffee was suggested as an interesting idea for dissemination of new methods and general knowledge about the production.

FAO FAO is currently running a trial with gathering information about Organic Agriculture from 15 countries (via FAO local offices). It is by an annual questionnaire. It is not working so well as yet. The information is about both production and trade.

In addition FAO is working to amend the international system for customs codes, ISIC, to include special codes for organic. In that way the official trade statistics would record the trade in organics. The EUROSTAT chairman work with this in the UN Statistical Commission. It would probably only record quantities (not values as well).

IFOAM. The International Federation of Organic Agriculture Movement is presently not engaged in data collection about organic coffee. It has hosted a number of Organic Coffee Conferences, events referred to by others as being highly relevant. Currently IFOAM is projecting the next such event to be organised in East Africa. Organic coffee is addressed during other events as well. IFOAM has paid a lot of attention to the criteria developed for Internal Control Systems and has conducted two special workshops with stakeholders (governments, producers, certification bodies etc.). When asked if IFOAM would be interested to host an information system, a tentatively positive response was given.

ICO. The International Coffee Organisation is an intergovernmental organisation for coffee exporting and importing countries. ICO is collecting and compiling data on coffee production and trade. The data is mainly submitted by the member governments, but sometimes also sector associations are the ones submitting data. ICO has shown a certain interest in organic coffee, and arranged a stakeholder workshop some years ago.

ICO was asked if they would be interested to include data on organic coffee in their reports from the countries. No official answer has been received at the time of this report. An activity like that needs to be approved by the ICO Board.

GEF/SANFOOD. The Global Environment Facility is in the process of establishing the SANET/SANFOOD, which is supposed to be an Internet based knowledge platform for decision makers in sustainable agriculture. Representatives of SANFOOD said that the objectives of a coffee information system as investigated in this report fits in very well with the objectives of SANFOOD.

Consultants and others

Agro Eco (consultancy that implements the EPOPA programme on behalf of Sida) has made a European Market survey for organic coffee 2001. Agroeco believes that more organic coffee could be sold if there were more transparency in the market. Re methods Agro Eco thinks that regular conferences would be valuable. Another idea is Farmer-to-Farmer exchange. If things should be able to move there may be need for engaging a number of full time consultants for organising information exchange etc. If there were a limited number of specialised consultants that would be freely available for the different projects it is likely that they could play a role.

Producers

All contacted producers express a need for better market information. Most producers express a need for more advice. Many of them think that the certification organisations should be more open to work with assisting the farmers, instead of only controlling.

Roasters and importers

The three Swedish importers/roasters were all interested in more and better statistics over the development of organic coffee. The reasons given are;

- A better overview of the market facilitates trade and increases competition.
- A more transparent market will be more credible and easier to control.
- New actors will have an easier entry into the market place if basic data about who is selling, who is certifying etc. is available. The entry in current market is quite difficult as you need inside information.
- More information will stimulate growth in this market segment.

Quite naturally the importers are primarily interested in more information on the supply, and they are cautious about data about sales. All the importers asked would welcome that Swedish KRAV compile data about imports and production for Sweden. The Swedish coffee industry organisation already today produce internal statistics about the quantity of organic coffee sold in the Swedish market. This information is however not complete and also not publicly available.

Svensk Kaffe Information (SKI) who organise the major Swedish roasters is less convinced about the need for more data about the cultivation of organic coffee. It claim that the major suppliers are already known in Sweden and that, therefore, the value of such improved data would not be enough to justify the costs for the generation of better data.

One major, US based, transnational coffee company indicated that better information would be of big importance, and that they would be willing to share basic information if such a system is put into place.

Internet search

The consultants surveyed a close to hundred Internet sites related to coffee in general and organic coffee in particular. No web site was identified that gives a good international overview of the organic coffee production and trade. There are some national web sites, mainly in Mexico and El Salvador that contains good such information. There are other web sites that are password protected, e.g. industry pages in USA. **ICO** has a good overview of relevant web sites.

No web site is identified that specialises in organic coffee production from a producers perspective, however one web site, **Asociación Latinoamericana de Pequeños Caficultores**, has a manual for organic coffee production.

There are more web sites directed to consumers of coffee, often managed by NGOs or other kind of campaign organisations. A good example is **Coffee Contact**. Most of the web sites are in English

Without doubt there are more web sites than the consultants have been able to identify, especially in the academic world.

Summary of the findings relative to the objective of the project

Production and market statistics

The need for improved data on production and markets

Almost all contacted stakeholders think that the development of the organic coffee sector would benefit from more, easily available and accurate data. Such data includes:

- quantities produced in the various countries
- prices
- imports to national markets

The fact that in some countries there are national initiatives that already have started to collect, compile and disseminate this kind of information is also an indication of the need. That organic still is a small niche, where the market is not very efficient and products often take strange routes is another argument for better information. Better information may also motivate both producers and buyers that are contemplating to start with organic products. Conversion to organic agriculture is an investment for the future, and it takes a couple of years from the decision to convert until the coffee can be certified. The increased competition in the coffee sector also underlines the need for information. To a certain extent would a more transparent market also increase the safety in the control system as the quantities recorded in the trade could be compared to data about certification.

To sum up:

- There is a need for better statistics on organic coffee production and markets
- Such data needs to be easily available

Sources of information re production and markets

Certification bodies are likely to have good data on the production, less on the actual trade in volumes and basically no information about prices (even if they had such information they would not be able/willing to share it). There may be opportunities to get access to this information. They may however not be willing to contribute to this on a regular basis, at least not without cost compensation. The consultants find this attitude somewhat disappointing and wonder if the certification organisations may have a too narrow view of their role. Sometime the central office may not want to engage in this kind of activities, but the local representatives or inspectors may be willing to contribute information. It is assumed that if there was an international system established, hosted by a credible organisation, that certification bodies will submit information.

National coffee organisations or governmental sector bodies are also possible to use, at least in the countries where organic coffee is important. Their strength is rather in the volumes of sales, in particular for exports. The national sector bodies are also in many cases well motivated, have the right competence and are normally willing to share their information. The national organisations may be able to get data from the certification bodies.

The third alternative is to engage in direct contact with the producers, but that requires a lot of work and is basically doing what national sector bodies can do.

The conclusion is that:

- It is possible to get data from certification organisations, but that is only likely to be successful with a lot of work
- National sector organisations are more motivated and could play a major role.

Which organisation could host a future system?

There must be someone that collects this information and makes it available, regardless if the data originates from national organisations or from the certification organisations. Such organisation could be ICO, SANFOOD, FAO, ITC or IFOAM. Organisations that are dedicated to organic agriculture favour IFOAM in such a role, while other organisations may favour one of the others. It is assumed that ICO is the only of these that possibly could do this within their existing framework, i.e. without any external assistance needed, however this needs to be confirmed by ICO.

Methods and technology

The need for better transfer of know-how and technology

Almost all stakeholders thought it would be beneficial for the sector if there was a better organised exchange of information about production methods.

The role of the certification organisations and inspectors

Taking into account the high costs for certification, there should be possibilities for using the information and the accumulated knowledge by the inspectors in a better way. This is particularly apparent in countries with a smaller organic sector as there is no basis for the development of an “organic advisory service”. As has been related above, there are limits to what certification bodies may do if they want to fulfil international norms. One can question if these norms really are good, but that is somewhat outside the scope of this report. However, also between the various certification bodies there are substantial differences in their attitude to participate in any information exchange and development of methods. There are also differences between individual inspectors, where some already engage actively in the development of the sector. Most interviewed stakeholders find that there are unnecessarily tough restrictions for conflict of interest.

In any case, one cannot expect certification organisations to play a driving role in this. If a neutral platform is established and managed by someone else, so that information can be delivered and disseminated separately from the regular work, most of them are likely to in some way participate in such an activity.

The possible limitations for the use also of the “internal inspectors” within a grower group’s Internal Control for advising farmers seems to be another potential problem. If such limitations were insisted upon would many of the potential benefits of such grower groups system erode or vanish altogether. These technicians, often called “internal inspectors”, are the ones that, more than the external inspectors, have excellent opportunities to work with the development of the production. In the same time, in many cases these technician are not so well educated and need quite some backup and training.

How to organise transfer of know-how?

As opposed to the generation of data, to establish a network for sharing experiences and development of methods is a more challenging task, especially on an international level. The survey shows that it is not likely that certification organisations or their inspectors would play any driving role in this. National coffee industry associations are often also not sufficiently engaged in these kinds of activities. The conclusion is that it is needed to work directly with the producers' organisations, including their technicians, or in the case when they are not well enough organised with exporters, NGOs or other national or regional organisations.

Who could host such a system?

The survey doesn't give any clear response to this. While marketing and trade are international in their character, the development of methods and technologies are more local. Therefore there is a need for active local, national and regional actors. Nevertheless there seems to be scope for an international co-ordination. For international co-ordination IFOAM or FAO seem to be the best suited of the contacted organisations. In addition to them there may also be an interest from organisations like CAB International.

Proposal for project and future action

Based on the studies made and the analysis of the information presented above, the following recommendations are made to Sida:

Re production and market information

Sida should initiate a program with the objective to give the interested actors access to relevant, and up to date, data on production and marketing of organic coffee. It should be based on the following:

- National sector bodies would serve as the main supplier of information and also as an important channel for dissemination of information. Recognising the differences between countries other solutions may be sought for some countries.
- The results can be published as an electronic newsletter, via a web site and through international, regional and national organisations.
- The work on the national level needs to be harmonised to facilitate comparable and reliable figures.
- Certification organisations shall be invited to participate in this project.

It is foreseen that a full-time position plus secretarial and translations service based in a central international organisation could co-ordinate the collection of information and its dissemination. The participants in the system are expected to volunteer their information

Sida should engage in a dialogue with the possible international organisations about hosting a project for data collection, compilation and dissemination, based on the preliminary conclusions in this report. Possible such international organisations are IFOAM, ICO, ITC, FAO and SANFOOD. Based on the result of such a dialogue a more detailed terms of reference could be developed.

Re methods and technology

Sida should initiate an organic coffee production methods program with the objective to facilitate exchange of information and experience regarding organic coffee production. It should be based on the following:

- Identification of national and regional actors that can participate in the co-ordination of a more efficient exchange of information between parties such as coffee projects, NGOs, organic inspectors and advisory services
- The emphasis in such a program should be on the regional level, but international co-ordination and resources will be needed.
- One regional organic coffee specialist should be made available in each major coffee producing area such as: Latin America (except Brazil), Brazil, Africa and Asia. These persons should act as co-ordinators and regional resource persons.
- A mixture of tools such as a newsletter, regular organic coffee conferences and workshops, web site should be used for communication and dissemination of information
- Support to “Farmer to farmer”, i.e. an exchange visit programme (rather exchange between different groups than between individuals) should be introduced.
- Facilitation of a better integration of advisory activities in Internal Control Systems.
- Identification of research needs

Also for this program there is a need to find an international organisation that could take care of such a system. FAO and IFOAM are identified as possible partners, but there may be

others. It could be operated directly by a consultant, assigned by Sida, but it is more likely that it could be accepted by the stakeholders if it could be based within an international organisation.

Sida should engage in a dialogue with the possible international organisations about hosting a project for data collection, compilation and dissemination, based on the preliminary conclusions in this report. Based on the result of such a dialogue a more detailed terms of reference could be developed.

Possible synergies?

Obviously the two programs can be merged and implemented together. There may be some synergies in that. However it is not apparent that synergies are that big. The needed organisational framework as well as the required competence may not coincide.

Policy advice

The following recommendations are made on a policy level. It may be the case that it is rather the Swedish government that would act on these, in which case Sida could advise the Swedish government.

- Sida should act against tendencies to restrict the right of Internal Control Systems to be used also for advisory and extension purposes. An example where this may be raised is in requirement for imports to the EU.
- Sida should act in favour of a development where certification bodies can be seen as partners in development and not only independent watch-dogs, e.g. by encourage them and their local inspectors to participate in a dialogue about crop improvement programs etc.

Annexes

A. Annexes being part of public report

- 1. List of references**
- 2. List of Internet resources**

B. Annexes submitted to Sida

[*Annexe B Organic Coffee information system.doc*](#)

- 1. Förstudie kring marknads och metodutveckling av ekologiskt kaffe, 2000-12-13**
- 2. Questionnaire to certifiers**
- 3. Questionnaire to local consultants**
- 4. ITC Market News Service**
- 5. Background material for different producing countries and interviews**

Annexe A.1. References

Agro Eco Consulancy 2000, The European market for organic coffee and cocoa
Baker, PS 2001, Coffee Futures
Consumer Choic Council, Sustainable Coffee at the Crossroads
Giovanucci, Daniele 2001, Sustainable Coffee survey of the North American Speciality
Coffee market
ITC, ICO 2000, The Gourmet Coffee Project



Annexe A.2. Internet Resources

The following internet sites have been identified as having relevant information about organic coffee:

<i>Organisation</i>	<u>Web address</u>	Lang <i>1</i>	Size ²	Description
International Coffee Organization	www.ico.org	E	L	Basic information about coffee, international coffee agreements, prices and trade statistics. Links to national sector associations, international organisations, e-commerce pages and coffee institutes.
Specialty Coffee Association of Europe	www.scae.com	E	M	Presentation of SCAE, newsletter and a half dozen links to international and European coffee organizations.
Asociación Latinoamericana de Pequeños Caficultores	www.frentesolidario.org	S	M*	Latin American sector association with 15 member organizations. Journal, project information, manual "Caficultura Orgánica Campesina" and other literature. Links to a half dozen fair trade organization.
<i>National coffee organisations</i>				
Producing countries				
La Asociación Nacional del Café	www.anacafe.org	S	M	Sector association for Guatemala coffee producers. Statistics for export and production. Some national links.
Consejo Mexicano del Café	www.sagarpa.gob.mx/Cmc	S & E	M*	National council for the coffee sector in Mexico . Statistics for export, production and prices. Organic coffee is shown separately.
Federación Nacional de Cafeteros de Colombia	www.cafedecolombia.com	S	L	The Colombian sector association for coffee producers. Extension and suggestions to growers. Links to databases and research institutions, for example Cenicafé.
El Consejo Salvadoreño del Café	www.consejocafe.org.sv	S & E	L*	National council for the coffee sector in El Salvador . Statistics over volumes, export countries, prices, buyers. Organic coffee is shown separately. Databases about coffee in El Salvador. About 20 links to domestic producers, sector association in other

¹ E - English, S - Spanish and P - Portuguese

² S - Small, M- Medium och L - Large. * - information about organic coffee

				countries and international coffee sites.
Associação Brasileira dos Exportadores de Café – ABECAFÉ	www.abecafe.com.br	P	M	Sector association for about 50 coffee exporters in Brazil . Statistic over volumes per province, national and global. 15 links to government, national sector associations and specialized coffee sites.
Specialty Coffee Association of Peru	www.prompex.gob.pe/prompex/Inf_Sectorial/Agro/cafe/SCAA.html	E	S*	Short presentations of coffee from Peru , list of about 15 exporters and direct links to a half dozen of these.
Mild Coffee Trade Association	www.mcta.or.ke	E	S	Sector Association for exporters of coffee from Kenya . List of addresses to members.
Uganda Coffee Development Authority	www.transafrica.org/ucda	E	M	Presentation of the activities in Uganda , national statistics and list of addresses to exporters.
Tanzania Coffee Board	www.newafrica.com/tcb	E	M	Presentation of TCB and coffee in Tanzania . About 10 links to African coffee sites.
Consuming countries				
National Coffee Association of USA	www.ncausa.org	E	M	Presentation of NCA, list of members, sale of publications and statistic reports.
Specialty Coffee Association of America	www.scaa.com	E	L	Presentation of SCAA, information about conferences, pressroom, facts about coffee and sale of publications.
Specialised coffee info				
Coffee Research	www.coffeeresearch.org	E	L*	A lot of facts about coffee. Introduction to cultivation, world market, fair trade, organic and bird friendly coffee. Newsletter, photos, videos and many useful links.
Association Scientifique Internationale du Café	www.asic-cafe.org	E	M	Presentation of ASIC and coming conferences. Hints to 20 coffee links.
Coffee Contact	www.geocities.com/rainforest/canopy/1290	E	M*	A lot of coffee facts with focus on organic, bird friendly and fair trade. Thoroughgoing literature list, presentation of key persons in organic coffee in USA and more than 30 valuable coffee links.
Highlighting Peruvian Coffee	www.perucoffee.com	E	M*	Facts about Peruvian coffee, exporters and certification. About 10 links to different development agencies and coffee sites.
Primer Encuentro Internacional de Campesino a Campesino	www.laneta.apc.org/mexsursum/memoria/memcma1.htm	S	M*	Summary of meetings and organic certification and alternative markets. Mexico January 1997.

Coffee and Birds				
Shade Grown Coffee	http://natzoo.si.edu/smbc/	E	M *	Web page with criteria for certification of shade coffee of Smithsonian Migratory Bird Center. Facts and background reports about coffee cultivation and birds.
Songbird Foundation	www.songbird.org	E	M *	Facts about biodiversity and coffee cultivation. Collection of a dozen articles and about 10 links to other sites about coffee and birds.
Coffee and Pesticides				
Pesticide Action Network – North America	www.panna.org	E	L *	A lot of links and background articles. The site's search engine has over 60 coffee references to documents and background texts for example about sun coffee, endosulfan and about organic coffee cultivation.