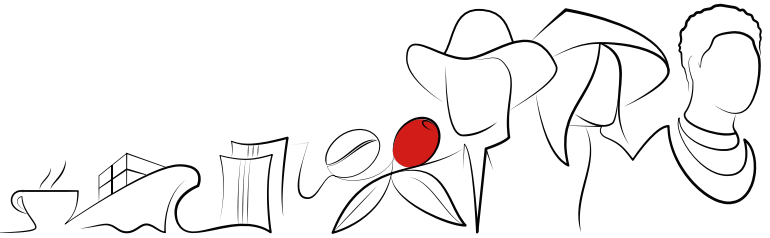


WORLD COFFEE PRODUCERS FORUM

Medellín, Colombia. July 10 - 12, 2017



FINAL DECLARATION BY THE PARTICIPATING DELEGATES OF THE FIRST WORLD FORUM FOR COFFEE PRODUCING COUNTRIES

In the city of Medellín, Colombia, the first forum for coffee producing countries took place on July 12th, 2017, considering that:

1. The profitability of coffee growing has reached a critical point in many producing countries, facing even negative profitability periods on account of factors such as: lower international prices for the coffee grain which has affected the trade terms for coffee dramatically, meaning a lower purchase power for the coffee grower; low agronomic yield and an increase in the production costs associated to climate change and weather variability along with the increase in hand labor costs for tasks such as harvesting/picking.
2. The loss of profitability has translated into impoverishment of a significant percentage of coffee growers worldwide, limiting their quality of life (deprivation of housing conditions and public utilities, educational lagging and low attendance rates, low access to healthcare system, etc.) and reducing their capacity to reinvest in their crops.
3. Although the development of special coffees in the last decades have generated special primes for the producers, these have failed to compensate for the costs associated to certifications and the value chain analysis of the global coffee chain evidences that the fraction that reaches the farmers/growers is very low compared to the one left for the parties that trade, roast and distribute to the final consumers.
4. If no corrective actions are aimed to counter the issues here described, in a coordinated manner and assuring their financing, in the medium term the world might be facing a generalized crisis characterized by a structural reduction in the world coffee offer with consequential repercussions in the quality of life for farmers. The latter, while the world demand continues to grow and remains unsatisfied, fact that shall generate undesirable unbalances in the coffee market that may jeopardize the sustainability of the global chain.

Decisions:

1. To work with all the agents/parties of the global coffee chain and, with the support of the WTO, on the generation of an Action Plan that shall initiate with an accurate diagnosis of the problems that coffee growers of the different regions of the world are facing: Extremely low prices for the producer and excessive volatility, with the larger fraction of the value being left in the other links down the chain, adaptation to climate change, scarcity of hand labor, troublesome generational gap and transition, along with precarious social conditions of farmers.
2. The Action Plan shall define the goals to achieve concerning each issue, the timeframe to achieve them and the financing required.
3. These negotiations must be held with the highest level industrial representatives, donors, international cooperation agents, multilateral bodies and national/local governments, as a shared responsibility commitment to pull forward the Action Plan and engage the necessary financial resources in order to execute it.
4. As starting point of the Action Plan and based on the inputs from the First Forum for Coffee Producing Countries, a study to be performed by an independent entity shall take place and in order to analyze the behavior of prices in the past 40 years, the behavior of costs during the same period and the correlation between the two. The study shall include analysis that verify if the international prices of coffee, both in the New York and the London stock exchange, reflect the reality of the physical market. Such study shall also include solution alternatives for the problems described in the Forum.
5. A Committee shall be created to develop these actions. It shall be composed by 2 representatives of producer associations from African nations, 2 from Mexico, Central America and the Caribbean, 2 South American representatives and 2 from Asia, along with at least one representative from the following regions: North America, Europe and Asia.
6. This Committee shall present a report about the advances, making use of the next WTO Council meeting as a venue to present these on March 2018.
7. The next Forum for Coffee Producing Countries will take place in 2019. The committee shall coordinate with the countries regarding who shall be the host nation.

This declaration is issued in Medellín, on July 12th, 2017.

ANNEXES – CONCLUSIONS OF THE WORKING GROUPS

PRODUCTION AND PRODUCTIVITY CONCLUSIONS

1. Improve productivity through technological modernization and nutrition of the crop. Improve technological transfer, technical assistance and share experiences.
2. Create a Commission to put into effect the Action Plan for the Initiatives of the World Forum for Coffee Producing Countries supported by collaborative information originated from the different stakeholders.
3. Collaborative research between producing countries focusing on genetic and technological improvement.
4. Increase the internal consumption of producing countries.
5. Improve rural education with an entrepreneurial approach.
6. Public policies in producing countries oriented towards: financing, environment, rural social security, education and infrastructure.
7. Connectivity and access to new knowledge, technologies and scientific development.
8. Promote coffee quality.
9. Reduce production costs.

CLIMATE CHANGE CONCLUSIONS

1. Create an instrument to strengthen scientific research, promote education, exchange of good practices and resource management that allows mitigating the effects of climate change.
2. Establish public policies for environmental control in the coffee value chain, along three fronts: i) Reduction of water consumption in production, ii) Reforesting, and iii) Access to renewable energies/power.
3. Generate actions for preserving, conserving and managing water.

GENERATION GAP/SUCCESSION CONCLUSIONS

1. Foster quality and pertinent education for the coffee producing sector since early childhood until the higher learning stages through programs focused on entrepreneurship and company development. The latter, distinguishing the importance of the role of coffee producing families in transmitting culture and conveying knowledge to children, to achieve a sense of belonging and vocation for coffee growing.
2. Generate an instrument that enables all producing countries to share experiences and good practices, replicate successful models and generate interactions between young coffee leaders, to face globalized challenges in a more organized manner.
3. Consolidate the public-private alliances that permit leveraging productivity and profitability of the business, prioritizing the necessities of young coffee growers, such as: education, access to land, production factors and working capital.
4. Create public policies for rural development that respond to the generational gap challenges for coffee growers.

PRICE VOLATILITY CONCLUSIONS

1. Concentrate the efforts from the WTO on the interests of producing nations to achieve an improvement in the incomes and attain better remunerative prices for the producer.
2. Promote the increase of coffee consumption in the current markets and in new ones.
3. Independent price and cost analysis that serves as input for the promotion of compensation policies for producers by the WTO.
4. Definition of exchange markets or transaction mechanisms that adequately incorporate the realities of the different types of coffee, decoupling it from financial market dynamics and tying it to the reality of the coffee trade chain and coffee costs.
5. Approach the commercial and development banking sector to find better financing alternatives, alternative uses for coffee, harvest insurance and tools that add value to producers.