

# EUROPEAN PARLIAMENT

1999



2004

---

*Session document*

8 April 2003

B5-0226/2003

## **MOTION FOR A RESOLUTION**

further to the Commission statement

pursuant to Rule 37(2) of the Rules of Procedure

by Joaquim Miranda, Luisa Morgantini, Yasmine Boudjenah and  
Hans Modrow

on behalf of the GUE/NGL Group

on the crisis on the international coffee market

**European Parliament resolution on the crisis on the international coffee market**

*The European Parliament,*

- A. having regard to the growing concern among EU Member States, raised in parliamentary resolutions and government statements, about the devastating impact of the coffee crisis in developing countries,
- B. having regard to the conclusions of the General Affairs and External Relations Council of 19 November 2002 which expressed ‘serious concern’ about the situation facing developing countries which are dependent on coffee exports,
- C. whereas the EU Member States make up 15 of the 21 importing-country members of the ICO and account for 46% of the world’s coffee imports,
- D. whereas the price of coffee has fallen to 60 US cents/pound for arabica coffee in New York and US\$ 750/tonne for robusta coffee - the lowest price in real terms for at least 100 years – and seems likely to maintain its recent increased volatility,
- E. whereas the collapse of coffee prices has resulted in a widespread development crisis for 25 million coffee farmers in over 50 developing countries where coffee is a critical source of rural employment and foreign exchange earnings,
- F. whereas the majority of countries most dependent on coffee export revenues are either least developed or highly indebted countries,
- G. whereas trade in commodities in Africa accounts for 75% of all export income, and dependency on coffee export earnings is as high as 80% for Burundi, 67% for Ethiopia, 55% for Uganda and 43% for Rwanda,
- H. whereas this crisis has a direct impact on government revenues in the developing countries concerned, thus affecting budgetary allocations to social sectors,
- I. whereas the coffee crisis has brought about political instability and unrest in some coffee-producing countries, for example Guatemala, and has been closely linked to humanitarian crises in many others, for example Ethiopia,
- J. whereas there are extensive reports of the use of child labour and exploitative labour conditions on coffee plantations,
- K. whereas four companies - Nestlé, Kraft, Sara Lee and Procter & Gamble - control almost half of the world’s coffee sales, with total revenues exceeding US\$100 billion a year, and whereas their profit margins are increasing,
- L. whereas in November 2002 the US House of Representatives and the US Senate called on the US Administration to ‘adopt a global strategy to address the short-term humanitarian

needs and long-term rural development needs of countries adversely affected by the collapse of coffee prices’,

- M. whereas on 19 May 2003 the ICO and the World Bank will host a conference on the coffee crisis in London,
1. Welcomes the Council’s recent expression of concern about the situation facing coffee-dependent countries, and both the Council’s and the Commission’s stated support for the International Coffee Organisation’s quality programme, and welcomes, further, the commitment from the Commission to come forward with ideas to address the situation of commodities in general, including coffee;
  2. Welcomes the proposal from President Chirac to put the issue of commodities, including coffee, on the agenda of the G8 Summit in Evian in June and calls on leaders at the G8 Summit to address the commodities issue for all developing countries – not just those in Africa;
  3. Welcomes the proposal from East Africa to put commodities on the agenda of the Cancun WTO Ministerial Conference, and calls on the EU to support this initiative;
  4. Calls on the Commission and the Council to demonstrate real political leadership by developing and driving through a global strategy to alleviate the coffee crisis;
  5. Calls on the European Commission to play a broader, long-term role in resolving the commodities crisis and, before the ICO/WB Coffee Conference in May 2003, to publish a communication and plans to help make the coffee market work for the poor as well as the rich;
  6. Calls on the EU to include in this communication plans to make further unspent EDF funds available for an assistance programme for coffee producers in order to: (1) support producers’ efforts to diversify into quality coffee – where possible - or to help them move out of coffee; (2) enhance coffee farmers’ power on the market through the provision of market intelligence and extension advice, support for the creation of cooperatives, and access to credit and inputs; (3) help coffee producers profit from better conditions offered by niche markets, such as fair trade and speciality and organic coffee, particularly through market development;
  7. Calls on the European Commission to make EUR 750 million available in immediately disburseable payments to those ACP countries affected by the coffee crisis, in proportion to their needs, and to ensure that these resources reach coffee producers and their communities;
  8. Calls on the European Commission to support the ICO’s quality improvement programme by independently monitoring the quality of coffee entering the European market and making the results public;
  9. Instructs its President to forward this resolution to the Council and Commission.