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MOTION FOR A RESOLUTION

further to the Commission statement

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

by Sergio Berlato and Liam Hyland

on behalf of the UEN Group

on the international coffee market crisis

European Parliament resolution on the international coffee market crisis

The European Parliament,

- having regard to the International Coffee Agreement of 2001 signed, *inter alia*, by the European Community,
- having regard to the special declaration of 16 November 2002 by the Heads of State and Government of Ibero-American producing and exporting countries,
- having regard to the Malabo Declaration of 29 October 2002 concluding the 42nd General Assembly of the 25 African coffee producing countries,
- having regard to Resolutions No 407 and No 413 of the International Coffee Organization (ICO),
- A. whereas since 1997 the price of coffee has been falling continually and the price index for the various types of coffee slumped by 80% between January 1998 and January 2002,
- B. whereas in spite of the fall in the price of the raw material, the market cost of the finished product for the consumer has increased by 15% since 1995,
- C. whereas tens of millions of people, farm labourers and small landowners, on every continent, depend on coffee for their survival, from the uplands of Kenya to the jungles of the Congo, from the Andean mountains of Colombia to the hills of Sumatra and from the Brazilian fazendas to the highlands of Papua New Guinea,
- D. whereas the fall in coffee prices on the world market poses a serious threat to the existence of 25 million coffee producers worldwide,
- E. whereas in numerous developing countries coffee is the chief export and the governments of those countries are unable to develop a policy to support this sector,
- F. whereas since the 1990s new coffee-producing countries, and in particular South-East Asian countries, have entered the world market, thereby contributing to considerably increasing the overproduction of coffee and altering the precarious balance of international trade prices,
- G. whereas in the wake of the increase in world production, sub-standard coffee has been found on the international markets,
- H. whereas world coffee prices are to a large extent influenced by a small number of multinational firms,

- I. whereas the United States is the leading consumer of coffee in the world and has not participated actively in the work of the International Coffee Organization (ICO) for several years,
1. Considers that there are two main reasons for the international crisis in the coffee market:
 - excess production of a structural nature by a number of countries, especially the new producers, in an attempt to increase their market share, often to the detriment of product quality;
 - the supremacy of the multinationals, which now control some 50% of the world market and have contributed to the increase in the price of the blends sold to consumers and the fall in the raw coffee bean prices paid to producers;
2. Reiterates the need, with a view to finding fair, adequate and lasting solutions to the current crisis, to promote international cooperation with regard to the major problems concerning coffee;
3. Endorses the strengthening of the International Coffee Organization, which should become a fully-fledged world forum for proposing international policies on coffee production and trade;
4. Urges the governments of the producer countries to frame agricultural policies geared to diversification in order to encourage the replacement of inefficient coffee plantations with other agricultural crops, taking into account the growing international competitiveness in the sector, with a view to reducing current world overproduction;
5. Calls on the Commission to develop assistance and conversion schemes for small coffee producers in countries seriously affected by the international crisis in the sector;
6. Supports the implementation of the Coffee Quality Improvement Programme proposed by the ICO and calls on the Commission to monitor the quality of coffee imported into the European Union by carrying out its own independent checks;
7. Calls on the United States and the other major consumer countries to renew their commitment to the ICO, as called for by the NCA - National Coffee Association of the USA and the SCAA - Specialty Coffee Association of America and in ICO Resolution No 413;
8. Instructs its President to forward this resolution to the Commission, the Council, the governments of the Member States, the Federal Government of the United States of America and the ICO.