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**Gradings results for Arabica and
Robusta coffees
Calendar years 2005 to 2012 and
January to June 2013**

Background

1. The promotion of quality as a means to enhance sustainability of the coffee economy by increasing consumption, by adding value and providing consumer satisfaction is a primary objective of the Coffee Quality-Improvement Programme – CQP – (see document ICC-90-9).
2. In order to provide additional information on the quality of coffee exports, the Organization monitors the results of gradings on futures exchanges. This document shows these results based on the information extracted from the websites of the Intercontinental Exchange (ICE) for Arabica coffee and on the NYSE Liffe exchange for Robusta coffee in calendar years 2005 to 2012 and, for comparison purposes, in the first six months of each year: 2005 to 2013.
3. The previous report on the gradings results for Arabica and Robusta coffees in the New York and London futures markets is contained in document PM-22/13.

Action

The Promotion and Market Development Committee is requested to take note of this report.

**GRADINGS RESULTS FOR ARABICA AND ROBUSTA COFFEES
CALENDAR YEARS 2005 TO 2012 AND FROM JANUARY TO JUNE 2013**

1. The gradings results for Arabica coffee on the Intercontinental Exchange (ICE) and on the NYSE Liffe for Robusta coffee are systematically monitored by the Organization through the results posted on their websites. This report gives the results of these gradings analyses for the last eight complete calendar years since the CQP was established back in June 2004.

Gradings results for Arabica coffee

2. Reports on the Coffee 'C' contract gradings analysis are regularly posted on the ICE website showing the monthly summary and year-to-date data on the pass/fail results by origin. The analysis also shows the percentage pass in the original gradings, in addition to the overall pass on grade, cup and colour quality achieved. Table 1 shows a summary of the results for each category in calendar years 2005 to 2012 and Table 1-A and Graph 1 show similar information for the six months (January to June) from 2005 to 2013.

**Table 1/1-A: ICE analysis results
Calendar years 2005 to 2012**

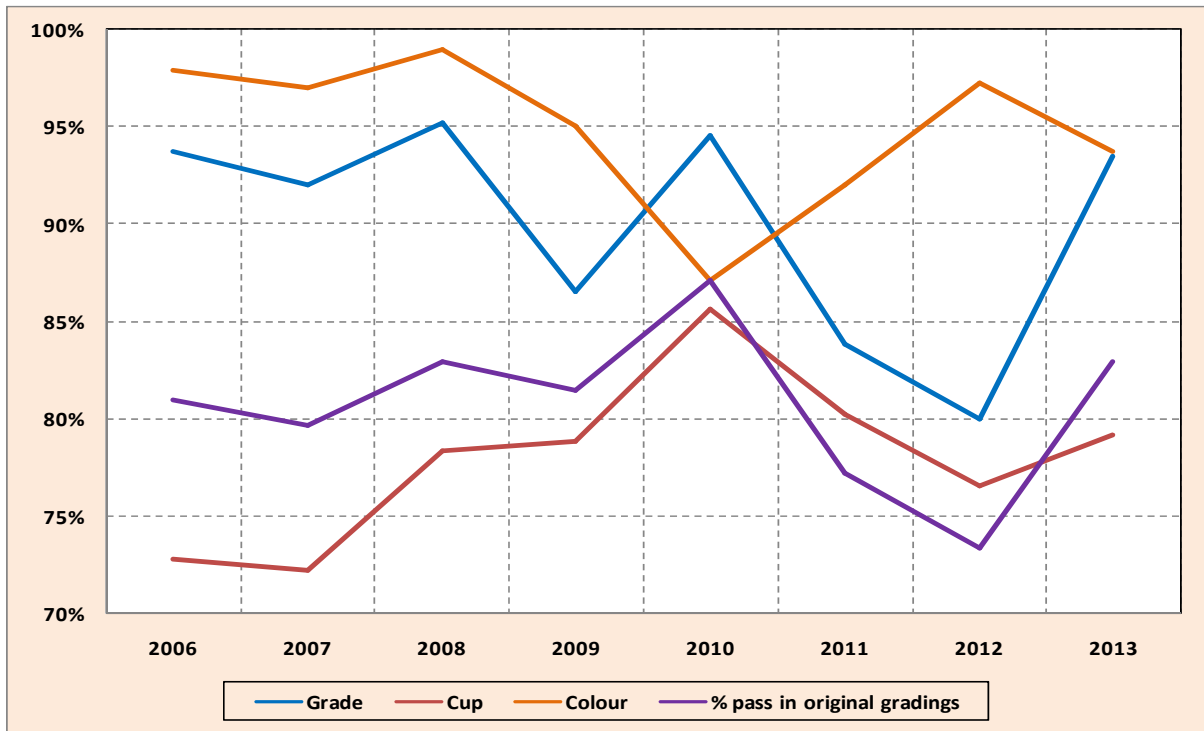
| Table 1 | | | | | | | | | |
|-------------------------------------|---------------|--------|--------|--------|--------|--------|--------|--------|---------------|
| Coffee "C" gradings analysis by ICE | | | | | | | | | |
| Calendar years 2005 to 2012 | | | | | | | | | |
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| % pass in original gradings | 82.46% | 79.72% | 84.73% | 84.05% | 87.31% | 85.18% | 70.04% | 78.83% | Not available |
| Grade | 92.82% | 92.01% | 97.01% | 92.05% | 91.38% | 92.18% | 79.23% | 88.78% | |
| Cup | 73.76% | 72.10% | 73.65% | 78.50% | 82.38% | 85.68% | 78.87% | 77.53% | |
| Colour | 98.15% | 96.68% | 95.51% | 97.70% | 95.76% | 86.31% | 89.75% | 91.52% | |
| Table 1-A | | | | | | | | | |
| Coffee "C" gradings analysis by ICE | | | | | | | | | |
| January-June: 2005 to 2013 | | | | | | | | | |
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| % pass in original gradings | Not available | 80.97% | 79.64% | 82.97% | 81.43% | 87.09% | 77.20% | 73.38% | 82.95% |
| Grade | | 93.76% | 91.99% | 95.19% | 86.55% | 94.53% | 83.83% | 80.01% | 93.45% |
| Cup | | 72.82% | 72.20% | 78.36% | 78.81% | 85.59% | 80.27% | 76.52% | 79.14% |
| Colour | | 97.86% | 96.97% | 99.00% | 95.00% | 87.14% | 92.01% | 97.26% | 93.70% |

3. The period-average rates achieved in the analysis by category can be summarized as follows:

Table 2: ICE analysis – average % pass in original gradings

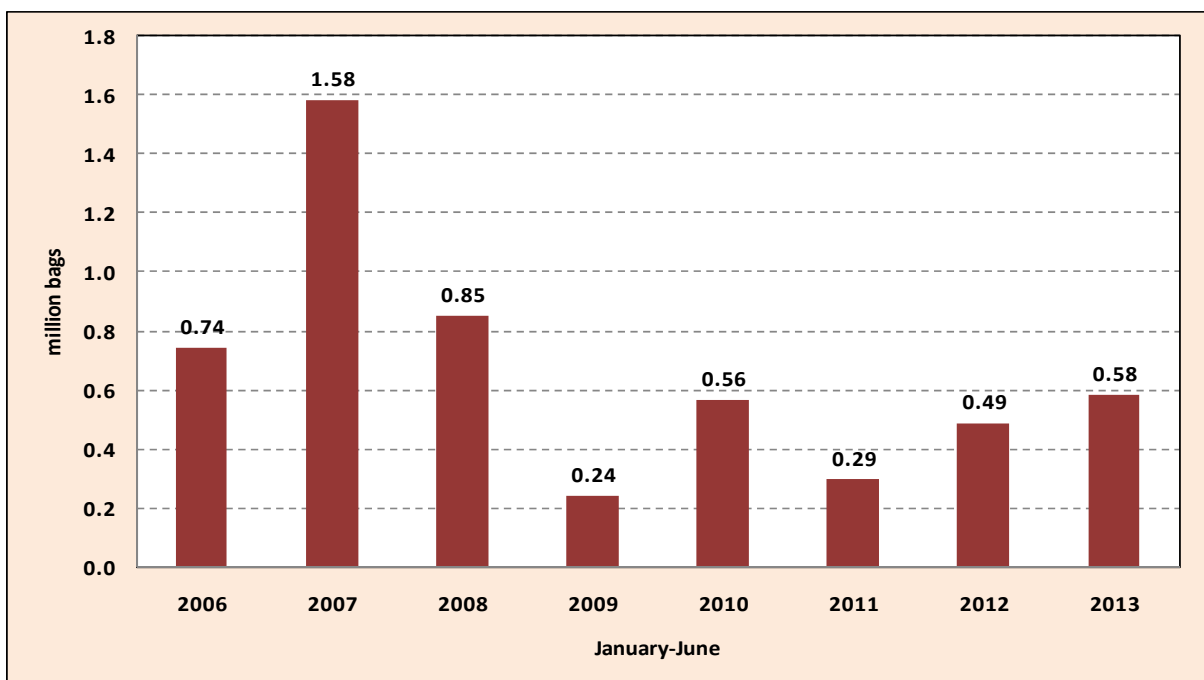
| | 2005-2012 average | January-June average |
|-----------------------------------|-------------------|----------------------|
| Overall pass in original gradings | 81.5% | 80.7% |
| Grade | 90.7% | 89.9% |
| Cup | 77.8% | 78.0% |
| Colour | 93.9% | 94.9% |

**Graph 1: ICE analysis results
January to June 2006 to 2013**



4. Graph 2 shows the volume graded by ICE in the six-month period from 2006 to 2013. It should be noted that a record volume of 1.58 million bags were graded in the first six months of 2007 whereas the lowest volume graded in the period took place in 2009.

**Graph 2: ICE gradings by volume (60-Kg bags)
January to June 2006 to 2013**



Gradings results for Robusta coffee

5. Table 3 shows the volume of coffee graded by NYSE Liffe during the eight full calendar years (2005 to 2012) since the introduction of the CQP in June 2004, and the volume graded in the first six months of each year from 2005 to 2013.

**Table 3: NYSE Liffe analysis results – volume in 60-Kg bags
Calendar years and January to June 2005 to 2013**

| | January-December | | | January-June | | |
|----------------|------------------|-----------|-----------|--------------|-----------|-----------|
| | total graded | below CQP | % out CQP | total graded | below CQP | % out CQP |
| 2005 | 2 002 083 | 1 860 833 | 92.9% | 780 583 | 711 750 | 91.2% |
| 2006 | 1 916 417 | 1 621 500 | 84.6% | 407 917 | 376 667 | 92.3% |
| 2007 | 2 287 167 | 1 721 833 | 75.3% | 445 250 | 428 833 | 96.3% |
| 2008 | 2 643 000 | 2 032 250 | 76.9% | 953 167 | 790 333 | 82.9% |
| 2009 | 3 667 167 | 614 333 | 16.8% | 2 890 333 | 519 833 | 18.0% |
| 2010 | 776 500 | 201 000 | 25.9% | 90 000 | 29 667 | 33.0% |
| 2011 | 4 129 333 | 893 000 | 21.6% | 3 823 833 | 831 500 | 21.7% |
| 2012 | 722 167 | 40 000 | 5.5% | 399 833 | 34 333 | 8.6% |
| 2013 | not available | | | 726 500 | 14 167 | 1.9% |
| Total | 18 143 833 | 8 984 750 | 49.5% | 10 517 416 | 3 737 083 | 35.5% |
| Average | 2 267 979 | 1 123 094 | 49.5% | 1 168 602 | 415 231 | 35.5% |

6. The average volume deemed to be below the CQP standards graded from 2005 to 2012¹ amounts to 8.98 million bags, equivalent to 49.5% of the total volume graded. This average in the six months 2005 to 2013 is 3.74 million bags, equivalent to 35.5% of the total volume graded. In January to June 2013, only 1.9% of the volume graded is deemed to be below the CQP standards.

7. Graph 3 below shows the percentage gradings deemed to fall outside the CQP standards in calendar years 2005 to 2012 and in the six-month period January to June 2013. It should be noted that the volume deemed be below the Resolution standards since 2012 has fallen dramatically to levels well below 10% which appears to indicate an improvement in the quality of the Robusta coffee graded.

8. In 2009 the premium grade 'P' for coffee that exceeds the usual classification standards from grades '0' to '4' was introduced. Some 450,667 bags have been awarded this premium grade since the introduction of this classification. In the first six months of 2013 no coffee has been classified as 'premium grade'.

¹ It should be noted that revisions may have taken place in the gradings analysis results since the publication of the last report on this subject.

Graph 3: NYSE Liffe gradings
Percentage graded deemed to be below the CQP



9. The Organization will continue to monitor the gradings results for Arabica and Robusta coffee as posted on the ICE and NYSE Liffe websites.