



Promotion and Market Development Committee
8th meeting
24 September 2014
London, United Kingdom

**Gradings results for Arabica and
Robusta coffees
Calendar years 2005 to 2013 and
January to June 2014**

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 2013 and, for comparison purposes, in the first six months of each year: 2005 to 2014.
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-33/14](#).

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 2013 AND FROM JANUARY TO JUNE 2014**

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 nine 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 2013 and Table 1-A and Graph 1 show similar information for the six months (January to June) from 2005 to 2014.

**Table 1/1-A: ICE analysis results
Calendar years 2005 to 2014**

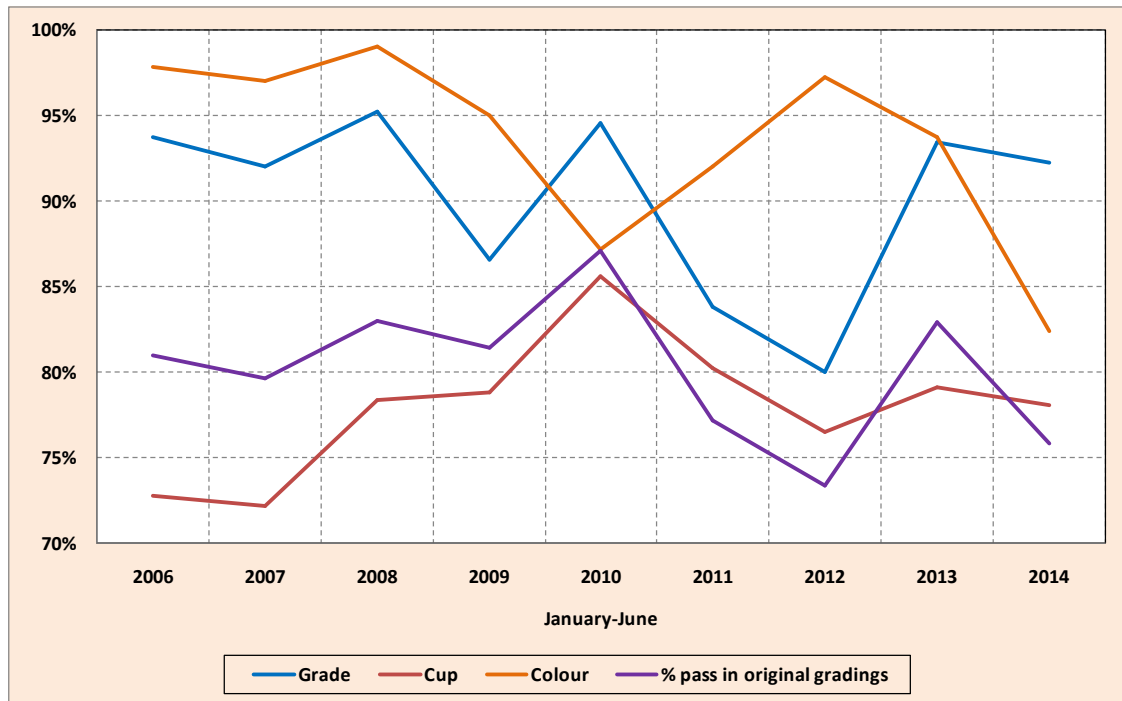
Table 1										
Coffee "C" gradings analysis by ICE										
Calendar years 2005 to 2014										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
% pass in original gradings	82.46%	79.72%	82.07%	84.05%	87.31%	85.18%	70.04%	78.83%	81.16%	Not available
Grade	92.82%	92.01%	92.48%	92.05%	91.38%	92.18%	79.23%	88.78%	92.64%	
Cup	73.78%	72.10%	74.80%	78.50%	82.38%	85.68%	78.87%	77.53%	79.09%	
Colour	98.15%	96.68%	96.73%	97.70%	95.76%	86.31%	89.75%	91.52%	91.89%	
Table 1-A										
Coffee "C" gradings analysis by ICE										
January-June: 2005 to 2014										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
% pass in original gradings	Not available	80.97%	79.64%	82.97%	81.43%	87.09%	77.20%	73.38%	82.95%	75.88%
Grade		93.76%	91.99%	95.19%	86.55%	94.53%	83.83%	80.01%	93.45%	92.24%
Cup		72.82%	72.20%	78.36%	78.81%	85.59%	80.27%	76.52%	79.14%	78.05%
Colour		97.86%	96.97%	99.00%	95.00%	87.14%	92.01%	97.26%	93.70%	82.41%

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

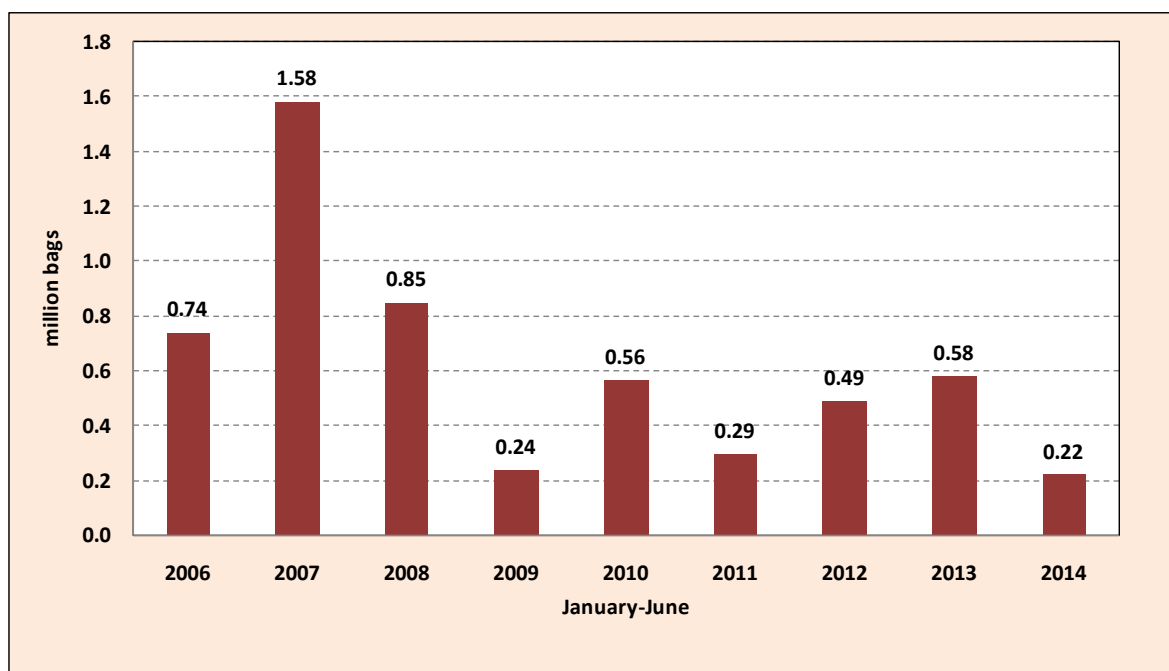
	January to December 2005-2013 average	January to June 2006-2014 average
Overall pass in original gradings	81.2%	80.2%
Grade	90.4%	90.2%
Cup	78.1%	78.0%
Colour	93.8%	93.5%

**Graph 1: ICE analysis results
January to June 2006 to 2014**



4. Graph 2 shows the volume graded by ICE in the six-month period from 2006 to 2014. 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 2014.

**Graph 2: ICE gradings by volume (60-Kg bags)
January to June 2006 to 2014**



Gradings results for Robusta coffee

5. Table 3 shows the volume of coffee graded by NYSE Liffe during the nine calendar years (2005 to 2013) since the introduction of the CQP in June 2004, and the volume graded in the first six months of each year from 2005 to 2014.

Table 3: NYSE Liffe analysis results – volume in 60-Kg bags
Calendar years and January to June 2005 to 2014

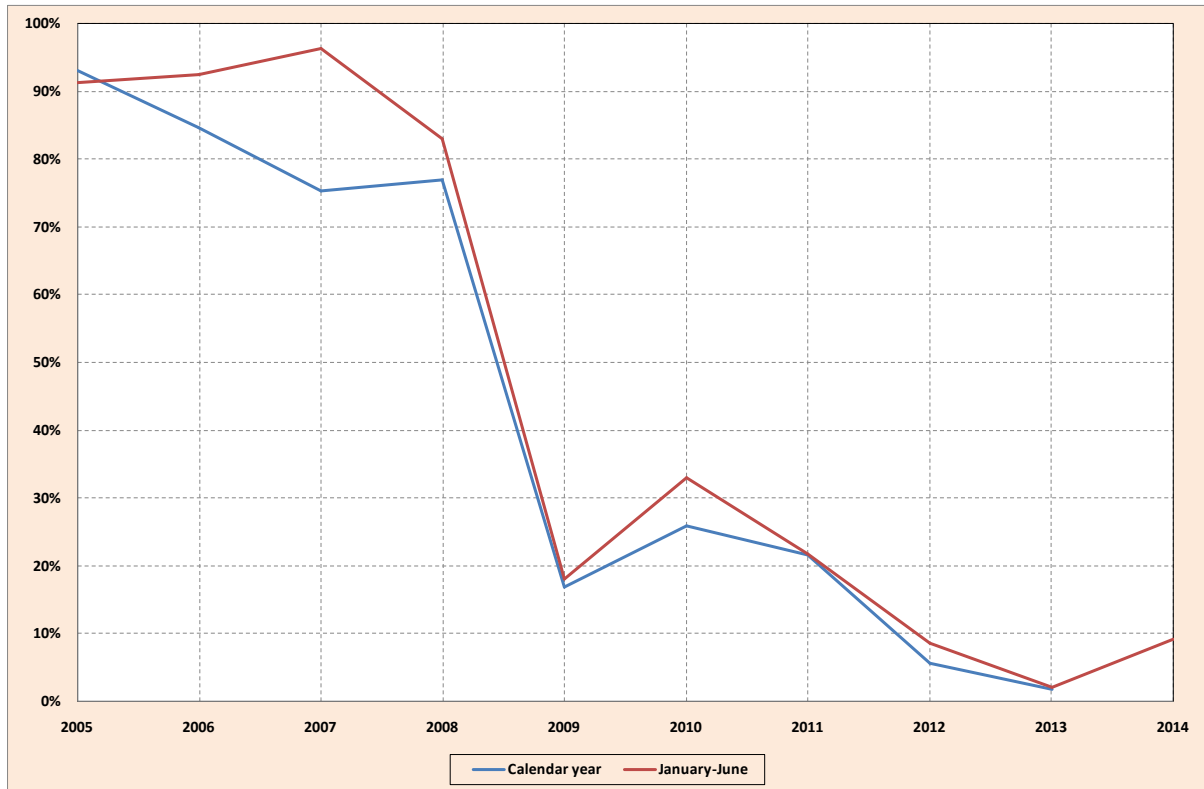
	January-December			January-June		
	total graded	below CQP	% out CQP	total graded	below CQP	% out CQP
2005	2 002 083	1 860 833	92.9%	780 583	711 750	91.2%
2006	1 916 417	1 621 500	84.6%	407 917	376 667	92.3%
2007	2 287 167	1 721 833	75.3%	445 250	428 833	96.3%
2008	2 643 000	2 032 250	76.9%	953 167	790 333	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	807 500	14 333	1.8%	803 833	14 333	1.8%
2014	not available			1 000 500	91 833	9.2%
Total	18 951 333	8 999 083	47.5%	11 595 249	3 829 083	33.0%
Average	2 105 704	999 898	47.5%	1 159 525	382 908	33.0%

6. The volume deemed to be below the CQP standards graded from 2005 to 2013 amounts to 9 million bags, equivalent to 47.5% of the total volume graded. This volume in the six months from 2005 to 2014 is 3.83 million bags, equivalent to 33% of the total volume graded.

7. Graph 3 below shows the percentage gradings deemed to fall outside the CQP standards in calendar years 2005 to 2013 and in the six-month period January-June 2005 to 2014. It should be noted that the volume deemed to 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 'O' to '4' was introduced. Some 469,167 bags have been awarded this premium grade since the introduction of this classification.

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.