

SC 57/15

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Statistics Committee 9<sup>th</sup> Meeting 29 September 2015 Milan, Italy Gradings results for Arabica and Robusta coffees Calendar years 2005 to 2014 and January – June 2005 to 2015

# 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 website of the Intercontinental Exchange (ICE) for Arabica and Robusta coffees in calendar years 2005 to 2014 and, for comparison purposes, in the first six months of each year: 2005 to 2015.

3. The previous report on the gradings results for Arabica and Robusta coffees on the New York and London futures markets is contained in document <u>SC-48/15</u>.

#### Action

The Statistics Committee is requested to take note of this report.

# GRADINGS RESULTS FOR ARABICA AND ROBUSTA COFFEES CALENDAR YEARS 2005 TO 2014 AND JANUARY – JUNE 2005 TO 2015

1. The gradings results for Arabica and Robusta coffees on the Intercontinental Exchange (ICE) are systematically monitored by the Organization through the results posted on the website. This report gives the results of these gradings analyses for the last ten 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 Futures US 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 2014 and Table 1-A and Graph 1 show similar information for the six months (January to June) from 2005 to 2015.

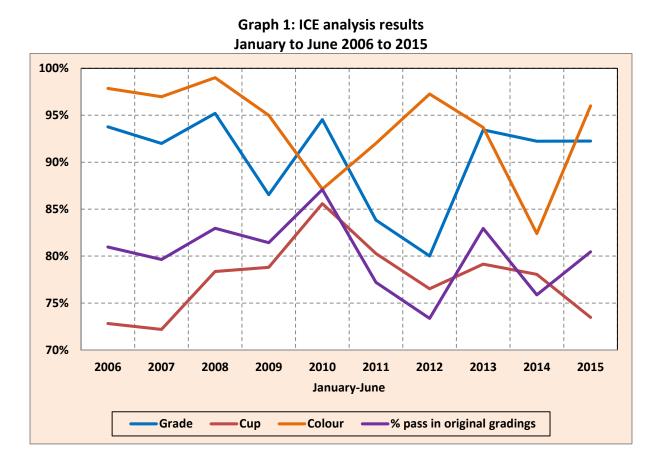
					Table 4						
Table 1											
Coffee "C" gradings analysis by ICE											
Calendar years 2005 to 2015											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
% pass in original gradings	82.46%	79.72%	82.07%	84.05%	87.31%	85.18%	70.04%	78.83%	81.16%	77.40%	Net
Grade	92.82%	92.01%	92.48%	92.05%	91.38%	92.18%	79.23%	88.78%	92.64%	92.17%	Not
Cup	73.78%	72.10%	74.80%	78.50%	82.38%	85.68%	78.87%	77.53%	79.09%	76.93%	available
Colour	98.15%	96.68%	96.73%	97.70%	95.76%	86.31%	89.75%	91.52%	91.89%	88.67%	
Table 1-A											
			Coff	ee "C" gr	adings a	nalysis b	y ICE				
			J	lanuary-J	lune 200	5 to 201	5				
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
% pass in original gradings	Not available	80.97%	79.64%	82.97%	81.43%	87.09%	77.20%	73.38%	82.95%	75.88%	80.46%
Grade		93.76%	91.99%	95.19%	86.55%	94.53%	83.83%	80.01%	93.45%	92.24%	92.25%
Cup		72.82%	72.20%	78.36%	78.81%	85.59%	80.27%	76.52%	79.14%	78.05%	73.48%
Colour		97.86%	96.97%	99.00%	95.00%	87.14%	92.01%	97.26%	93.70%	82.41%	96.00%

# Table 1/1-A: ICE analysis resultsCalendar years 2005 to 2014

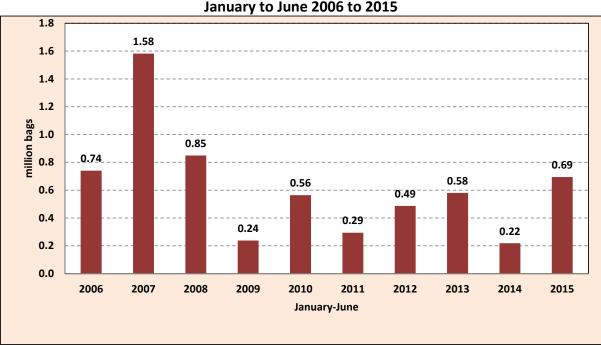
3. The period-average rates achieved in the analysis by category can be summarised as follows:

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

	January to December	January to June
	2005-2014 average	2006-2015 average
Overall pass in original gradings	80.8%	80.2%
Grade	90.6%	90.4%
Cup	78.0%	77.5%
Colour	93.3%	93.7%



4. Graph 2 shows the volume graded by ICE in the six-month period from 2006 to 2015. 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 January – June 2014.



#### Graph 2: ICE gradings by volume (60-Kg bags) January to June 2006 to 2015

5. Table 3 shows the volume of coffee graded by ICE Futures Europe during the ten calendar years (2005 to 2014) since the introduction of the CQP in June 2004, and the volume graded in the first six months of each year from 2005 to 2015.

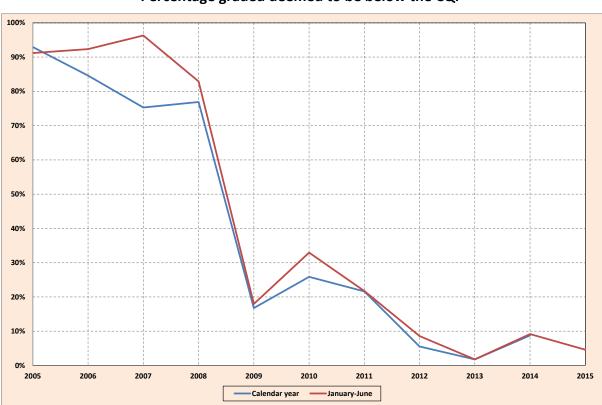
	Jar	uary-Decemb	er	January-June			
	total graded	below CQP	% out CQP	total graded	below CQP	% out CQP	
2005	2 002 083	1 860 833	92.9%	780 583	711 750	91.2%	
2006	1 916 417	1 621 500	84.6%	407 917	376 667	92.3%	
2007	2 287 167	1 721 833	75.3%	445 250	428 833	96.3%	
2008	2 643 000	2 032 250	76.9%	953 167	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	2 113 833	185 500	8.8%	1 000 500	91 833	9.2%	
2015		not available		1 216 167	56 000	4.6%	
Total	21 065 166	9 184 583	43.6%	12 811 416	3 885 083	30.3%	
Average	2 106 517	918 458	43.6%	1 164 674	353 189	30.3%	

Table 3: ICE Futures Europe analysis results – volume in 60-Kg bagsCalendar years and January to June 2005 to 2015

6. The volume deemed to be below the CQP standards graded from 2005 to 2014 amounts to 9.18 million bags, equivalent to 43.6% of the total volume graded. This volume in the six months from 2005 to 2015 is 3.89 million bags, equivalent to 30.3% of the total volume graded.

7. Graph 3 shows the percentage gradings deemed to fall outside the CQP standards in calendar years 2005 to 2014 and in the six-month period January-June 2005 to 2015. It should be noted that the volume deemed to be below the Resolution standards since 2012 has stabilized 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 548,500 bags have been awarded this premium grade since the introduction of this classification.



Graph 3: ICE Futures Europe gradings Percentage graded deemed to be below the CQP

9. The Organization will continue to monitor the gradings results for Arabica and Robusta coffees as posted on the ICE website.