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Statistics Committee 10<sup>th</sup> meeting 9 March 2016 Addis Ababa, Ethiopia Progress report on the implementation of the Coffee Quality-Improvement Programme (CQP) Calendar years 2005 to 2015

## Background

1. Resolution 420 requests exporting Members to indicate in box 17 of all Certificates of Origin, on a voluntary basis, information on the quality of the coffee exported in respect of defects and moisture content, in order to permit the monitoring of the level of compliance with the target standards set out in the Resolution.

2. Participation in the CQP has varied considerably since its inception in June 2004 when Resolution 420 came into effect, as Members that have volunteered the information on quality either joined the programme or temporarily ceased providing data during this period. In addition, membership of the Organization has also changed since 2004 when the ICA 2007 came into effect in February 2011. The previous progress report on the CQP is contained in document <u>SC-58/15</u>.

3. The Rules on Statistics – Certificates of Origin – contained in document <u>ICC-102-9</u>, request that exporting Members provide, **on a voluntary basis**, in box 17a of each Certificate of Origin issued, information on the quality of the coffee covered thereby. It is expected that exporting Members comply with this request in order to ensure greater market transparency.

### Action

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

## PROGRESS REPORT ON THE IMPLEMENTATION OF THE COFFEE QUALITY-IMPROVEMENT PROGRAMME (CQP) CALENDAR YEARS 2005 TO 2015

1. Since Resolution 420 came into effect, 32 exporting countries have provided full or partial information on the quality of their coffee through Certificates of Origin. Under the current membership of the ICA 2007, 29 out of the 42 exporting Members fully or partially implemented the Resolution in their countries and 23 out of 42 have generally provided information on quality regularly since June 2004.

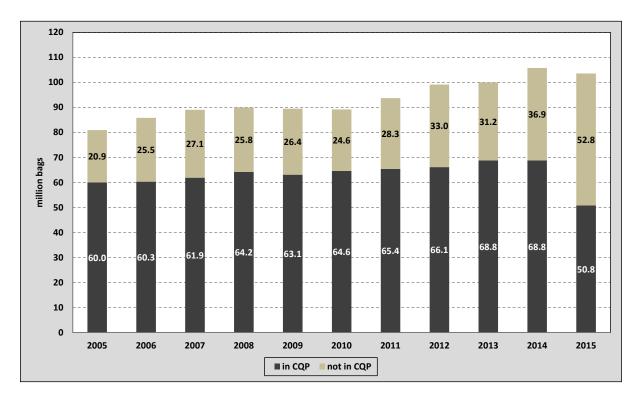
2. For **calendar year 2015**, the 42 exporting Members under the current membership can be grouped into six categories regarding the information on quality extracted from Certificates of Origin issued:

- a. Members generally providing data regularly: 13 Members
- b. Members providing partial data: 5 Members
- c. Members not providing data on quality: 3 Members
- d. Members that have ceased providing Certificates of Origin: 12 Members
- e. Members yet to issue Certificates of Origin: 8 Members
- f. Members that appear to have opted not to issue Certificates of Origin<sup>1</sup>:
  1 Member

In addition, there are two exporting countries that send information on quality that are still to become Members of the ICA 2007: Dominican Republic and Jamaica.

3. The total volume of green coffee exported in calendar year 2015 by the 18 exporting countries providing information on quality – based on Certificates of Origin – amounts to 50.8 million bags – equivalent to 49.1% of the total volume of 103.6 million bags exported by all producing countries. Graph 1 shows the volume of green coffee exported by all exporting countries and those participating in the CQP during calendar years 2005 to 2015.

<sup>&</sup>lt;sup>1</sup> Paragraph 4 of Article 33 of ICA 2007 allows exporting Members to use an alternative method to convey data contained on Certificates of Origin to the Organization. No official request to this effect has been received from this Member.



# Graph 1: Volume of green coffee exported by exporting countries (showing participation in the CQP) Calendar years 2005 to 2015

4. Table 1 provides a summary of the volume of green coffee exported by all Members participating in the CQP in calendar years 2005 to 2015. Information is shown by each of the categories specified in Resolution 420 as follows:

- Coffee in full compliance with defect and moisture standards "S"
- Coffee not in conformity with the defect standards "XD"
- Coffee not in conformity with the moisture standards "XM"
- Coffee not in conformity with either defect and moisture standards "XDM"
- Unspecified

#### Table 1

## Volume of green coffee exported by the countries participating in the CQP in accordance with Resolution 420 – Calendar years 2005 to 2015 (60-kg bags)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
"S"	50 948 280	55 624 488	56 439 889	58 232 695	54 278 467	59 702 075	62 853 755	60 606 710	57 755 592	55 043 689	45 013 732
"XD"	384 330	262 523	159 322	166 680	176 034	160 564	247 513	447 571	248 654	138 501	58 311
"XM"	7 706	15 101	23 473	8 786	1 786	9 901	7 887	0	24 717	16 823	5 2 7 7
"XDM"	7 244	10 661	30 516	4 958	1 984	690	6 670	4 0 5 4	14 256	633	0
Unspecified	8 645 158	4 400 966	5 229 711	5 779 008	8 641 446	4 693 062	2 311 803	5 081 042	10 767 815	13 634 044	5 725 410
Total in CQP	59 992 717	60 313 738	61 882 910	64 192 126	63 099 717	64 566 292	65 427 628	66 139 376	68 811 034	68 833 690	50 802 730
Total volume of green coffee exported		85 825 686	89 029 977	89 976 151	89 494 970	89 170 307	93 715 210	99 120 996	99 969 514	105 754 637	103 554 181
Total not in CQP	20918661	25 511 947	27 147 067	25 784 025	26 395 254	24 604 015	28 287 583	32 981 620	31 158 479	36 920 947	52 751 451
(percent)											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
"S"	63.0%	64.8%	63.4%	64.7%	60.6%	67.0%	67.1%	61.1%	57.8%	52.0%	43.5%
"XD"	0.5%	0.3%	0.2%	0.2%	0.2%	0.2%	0.3%	0.5%	0.2%	0.1%	0.1%
"XM"	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
"XDM"	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unspecified	10.7%	5.1%	5.9%	6.4%	9.7%	5.3%	2.5%	5.1%	10.8%	12.9%	5.5%
Total in CQP	74.1%	70.3%	69.5%	71.3%	70.5%	72.4%	69.8%	66.7%	68.8%	65.1%	49.1%
Total not in CQP	25.9%	29.7%	30.5%	28.7%	29.5%	27.6%	30.2%	33.3%	31.2%	34.9%	50.9%

5. Based on the data received from January 2005 to December 2015, the volume of green coffee exported in full compliance with Resolution 420 ("S") stands at just over 60% of the total volume exported throughout the period. Shipments for which there is no available information on quality are equivalent to 39.7% with the balance of 0.3% covering exports of green coffee that does not comply with the defects and moisture standards set out by the Resolution.

6. The Statistics Committee may wish to discuss the benefits of continuing with the CQP and how it could be more effectively implemented. Unless decided otherwise, the Organization will continue to monitor and provide occasional updates on the compliance by exporting Members with Resolution 420.