



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

EB 3958/09

2 March 2009
Original: English

E

Executive Board
269th Meeting
17 March 2009
London, England

**Progress report on the implementation
of the Coffee Quality-Improvement
Programme (CQP)
Coffee year 2007/08**

Background

1. ICO Members have continued their commitment to improving quality through the Coffee Quality-Improvement Programme (CQP), a programme adopted when Resolution 420 was approved by the Council in May 2004. One of the main objectives of the Programme is the promotion of quality as a means to enhance the sustainability of the coffee economy.
2. Resolution 420 requests exporting Members, on a voluntary basis, to indicate in box 17 of all Certificates of Origin issued from 1 June 2004, information on the quality of the coffee exported by defects and moisture content. This allows the monitoring of the level of compliance with the target standards based on the data received.
3. This document is based on the information extracted from Certificates of Origin issued in coffee year 2007/08 (October 2007 to September 2008), the Robusta gradings results posted in the London International Financial Futures and Options Exchange (LIFFE) website and the Arabicas gradings analysis posted in the Inter-Continental Exchange (ICE) for the Coffee Futures “C” Contract. It also contains information on progress in the implementation of the CQP in exporting Member countries in the same period based on data extracted from Certificates of Origin since Resolution 420 came into effect. The previous report on the CQP is contained in document EB-3953/08.

Action

The Executive Board is requested to take note of this report.

**PROGRESS REPORT ON THE IMPLEMENTATION OF THE
COFFEE QUALITY-IMPROVEMENT PROGRAMME (CQP)
COFFEE YEAR 2007/08**

1. Since Resolution 420 came into effect in June 2004, 28 exporting Members have provided information on the quality of the coffee they export, through Certificates of Origin. In coffee year 2007/08, these 28 exporting Members accounted for just under 69% of world exports.

2. The total volume of green coffee exported by all exporting countries in coffee year 2007/08 amounted to 88.3 million bags. The volume of green coffee exported by the 28 countries participating in the CQP amounted to 60.76 million bags. However, at the time of preparation of this report only 25 Members have effectively provided information on the quality of their exports for coffee year 2007/08. It should also be noted that not all of these 25 Members have provided data for the full coffee year. On the basis of the information available, the volume of green coffee exported by these 25 Members amounted to 57.63 million bags, of which 52.24 million bags (90.7%) were Arabica and 5.39 million bags were Robusta (9.3%).

3. Annex Tables I and II show the volume of green coffee exported in 2007/08 by the 25 Members effectively participating in the CQP. These tables give the volume of green coffee classified in accordance with the parameters set out in Resolution 420 by origin and by type – Arabica and Robusta. Graphs 1 and 2 show, respectively, the total volume of green coffee exported and the corresponding percentage share of the CQP countries and all other countries in coffee year 2007/08.

4. The volume of coffee graded by LIFFE which was deemed to have failed to comply with the targets of Resolution 420 in coffee year 2007/08 amounted to nearly 2.4 million bags. This represents an increase of over 88% compared to coffee year 2006/07 when 1.27 million bags failed LIFFE gradings standards, and an increase of over 61% compared with 2005/06. In coffee year 2007/08, nearly 54% failed the grading analysis in Antwerp and over 26% in Trieste. According to LIFFE data, nearly 62% of this coffee was shipped from Vietnam and over 11% from Indonesia (see Annex Table III for the volume of the coffee that failed LIFFE gradings in coffee year 2007/08 by origin and by port). Graph 3 gives the volume of LIFFE gradings deemed to fall below the CQP target standards from coffee year 2005/06 to 2007/08.

5. The opening of the first coffee exchange in Vietnam in December 2008 is expected to make it easier for buyers to find green beans of better quality Robusta. Assistance will also be provided to farmers on training for better quality processing methods. These new arrangements are fully backed by the Vietnamese Government, in close cooperation with coffee growers. The coffee exchange will have the capacity to deal with volumes of up to 1.7 million bags by 2010.

6. Regular reports on the Coffee “C” contract grading analysis are posted on the ICE website, showing the monthly summary and year to date results on the pass/fail results by origin. Based on these reports, in coffee year 2007/08, over 84% of the coffee graded by ICE passed the original gradings analysis. The original analysis on grade, cup and colour quality achieved “pass” levels of approximately 94%, 79% and 97%, respectively – see Annex Table IV).
7. The Organization will continue to monitor LIFFE and ICE gradings as well as compliance with Resolution 420 by exporting Members.

Classification of the green coffee by origin
Coffee year 2007/08
60-kg bags

Total green coffee	Quality standard					Total
	"S"	"XD"	"XDM"	"XM"	Unspecified	
Angola	6 105	570	300	0	300	7 275
Brazil	24 319 850	0	0	7 760	0	24 327 610
Cameroon	514 649	1 005	0	1 833	7 667	525 153
Colombia	10 846 224	0	0	0	0	10 846 224
Congo, Dem. Rep. of	204 144	0	0	0	322	204 466
Costa Rica	1 382 605	1 466	1 466	288	5	1 385 829
Cuba	3 318	0	0	0	200	3 518
Dominican Republic	39 318	0	0	0	0	39 318
Ecuador	129 797	0	0	0	0	129 797
El Salvador	1 355 278	53 101	15 698	5 321	0	1 429 398
Ethiopia	2 805 495	0	0	0	0	2 805 495
Gabon	421	0	0	0	0	421
Guatemala	3 815 141	0	0	0	0	3 815 141
Honduras	3 394 793	0	0	0	0	3 394 793
India	2 548 782	81 951	0	0	6	2 630 739
Jamaica	22 054	0	0	0	0	22 054
Malawi	11 717	0	0	0	14 438	26 155
Mexico	1 920 662	0	0	0	0	1 920 662
Nicaragua	1 585 731	0	0	0	0	1 585 731
Papua New Guinea	1 093 392	13 287	0	0	0	1 106 679
Philippines	20	0	0	0	0	20
Tanzania	703 620	0	0	0	0	703 620
Togo	133 310	822	0	0	0	134 132
Uganda	109 894	0	0	0	428 697	538 591
Zambia	44 380	0	0	0	0	44 380
Grand Total	56 990 698	152 202	17 464	15 201	451 636	57 627 201
Share in total	98.90%	0.26%	0.03%	0.03%	0.78%	

Share by type of coffee	Quality standard					Total
	"S"	"XD"	"XDM"	"XM"	Unspecified	
Arabica	91.18%	98.18%	98.28%	92.46%	21.45%	90.65%
Robusta	8.82%	1.82%	1.72%	7.54%	78.55%	9.35%

Where, in accordance with the parameters set out in Resolution 420:

“S” indicates that the coffee is in full compliance with the target defect and moisture standards

“XD” indicates that the coffee does not conform to the target defect standard

“XM” indicates that the coffee does not conform to the target moisture standard

“XDM” indicates that the coffee does not conform with either standard (target defect or moisture).

ANNEX TABLE II

Classification of the green coffee by origin
Coffee year 2007/08
60-kg bags

Arabica	Quality standard					Total
	Origin	"S"	"XD"	"XDM"	"XM"	
Brazil	22 294 719	0	0	7 760	0	22 302 479
Cameroon	40 874	0	0	686	5 577	47 138
Colombia	10 846 224	0	0	0	0	10 846 224
Congo, Dem. Rep. of	62 675	0	0	0	0	62 675
Costa Rica	1 382 605	1 466	1 466	288	5	1 385 829
Cuba	3 318	0	0	0	200	3 518
Dominican Republic	39 318	0	0	0	0	39 318
Ecuador	79 221	0	0	0	0	79 221
El Salvador	1 355 278	53 101	15 698	5 321	0	1 429 398
Ethiopia	2 805 495	0	0	0	0	2 805 495
Guatemala	3 791 347	0	0	0	0	3 791 347
Honduras	3 394 793	0	0	0	0	3 394 793
India	711 626	81 951	0	0	6	793 583
Jamaica	22 054	0	0	0	0	22 054
Malawi	11 717	0	0	0	14 438	26 155
Mexico	1 888 522	0	0	0	0	1 888 522
Nicaragua	1 585 731	0	0	0	0	1 585 731
Papua New Guinea	1 083 453	12 911	0	0	0	1 096 364
Tanzania	486 145	0	0	0	0	486 145
Uganda	34 487	0	0	0	76 645	111 132
Zambia	44 380	0	0	0	0	44 380
Grand Total	51 963 983	149 430	17 164	14 055	96 871	52 241 502
Share in total	99.47%	0.29%	0.03%	0.03%	0.19%	

Robusta	Quality standard					Total
	Origin	"S"	"XD"	"XDM"	"XM"	
Angola	6 105	570	300	0	300	7 275
Brazil	2 025 131	0	0	0	0	2 025 131
Cameroon	473 774	1 005	0	1 146	2 090	478 016
Congo, Dem. Rep. of	141 469	0	0	0	322	141 791
Ecuador	50 576	0	0	0	0	50 576
Gabon	421	0	0	0	0	421
Guatemala	23 794	0	0	0	0	23 794
India	1 837 156	0	0	0	0	1 837 156
Mexico	32 140	0	0	0	0	32 140
Papua New Guinea	9 939	376	0	0	0	10 315
Philippines	20	0	0	0	0	20
Tanzania	217 475	0	0	0	0	217 475
Togo	133 310	822	0	0	0	134 132
Uganda	75 407	0	0	0	352 052	427 459
Grand Total	5 026 715	2 773	300	1 146	354 765	5 385 699
Share in total	93.33%	0.05%	0.01%	0.02%	6.59%	

LIFFE Gradings Results
by origin and by port of discharge
for Robusta coffee deemed to be below CQP standards
Coffee year 2007/08
60-kg bags

Country of origin	Amsterdam	Antwerp	Barcelona	Bremen	Genoa	Hamburg	Le Havre	London	Marseilles	Norwich	New York	Rotterdam	Trieste	Total	Share in total
Brazil		66 750			8 833		2 750	3 167		29 417	333	1 583	2 833	115 667	4.83%
Cameroon		15 917	1 250	2 500	16 000	333	833	83	167				26 833	63 917	2.67%
Congo, Dem. Rep. of		17 000			500	250							500	18 250	0.76%
Côte d'Ivoire	1 000	99 417	20 833		60 167	7 250	3 500		5 333				20 333	217 833	9.09%
Ecuador										1 583				1 583	0.07%
Ghana		417												417	0.02%
Guinea		14 667	4 500	6 750	2 833	4 667	1 500						3 333	38 250	1.60%
India		500						2 000					417	2 917	0.12%
Indonesia		230 750		500	8 167	2 417				1 583			29 667	273 083	11.39%
Liberia		250				333								583	0.02%
Madagascar		12 583	2 500			15 750	7 167						333	38 333	1.60%
Nigeria		167												167	0.01%
Sierra Leone		14 000		1 750		667			250					16 667	0.70%
Tanzania		5 750			1 167								17 667	24 583	1.03%
Thailand		34 750												34 750	1.45%
Togo		20 667			333	9 833	8 917						4 917	44 667	1.86%
Uganda		10 083	5 417		833	1 417		83		750			11 750	30 333	1.27%
Vietnam		743 250	23 667	37 833	13 833	37 333	20 917			29 667		60 583	507 750	1 474 833	61.53%
Total	1 000	1 286 917	58 167	49 333	112 667	80 250	45 583	5 333	5 750	63 000	333	62 167	626 333	2 396 833	
Share in total	0.04%	53.69%	2.43%	2.06%	4.70%	3.35%	1.90%	0.22%	0.24%	2.63%	0.01%	2.59%	26.13%		

ANNEX TABLE IV

ICE Futures: Coffee "C" gradings summary analysis
Coffee year 2007/08

Country of origin	Original			Appeals				Total		Pass %
	Pass	Fail		Pass	Fail	Total		Pass	Fail	
Burundi	3	8		9	5	14		12	7	63.16
Colombia	69	59		21	19	40		90	38	70.31
Costa Rica	2	8		1	1	2		3	7	30.00
Dominican Republic										
Ecuador	6	2		0	0	0		6	2	75.00
El Salvador	1 092	224		118	86	204		1 210	106	91.95
Guatemala	208	96		47	44	91		255	49	83.88
Honduras	1 480	782		384	366	750		1 864	398	82.40
India	84	18		9	5	14		93	9	91.18
Kenya										
Mexico	830	473		247	213	460		1 077	226	82.66
Nicaragua	577	163		73	28	101		650	90	87.84
Panama	1	0		0	0	0		1	0	0.00
Papua New Guinea										
Peru	448	150		93	46	139		541	57	90.47
Rwanda	7	6		1	4	5		8	5	61.54
Tanzania	0	11		0	8	8		0	7	0.00
Uganda	19	19		9	8	17		28	10	73.68
Venezuela	34	71		20	34	54		54	51	51.43
Total	4 860	2 090		1 032	867	1 899		5 892	1 062	84.73

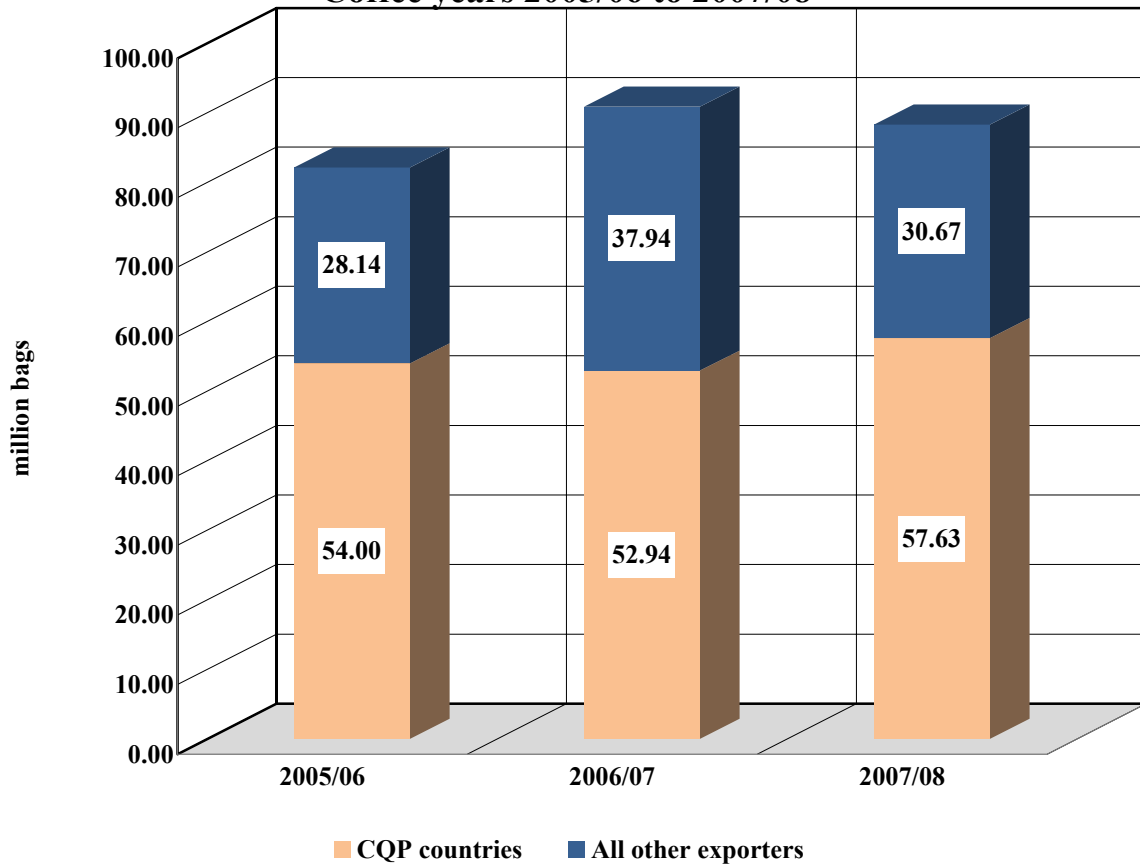
	Original		Total	Pass %	Appeals			
	Pass	Fail			Pass	Fail	Total	Pass %
Grade	6 539	420	6 959	93.96%	1 752	147	1 899	92.26%
Cup	5 466	1 493	6 959	78.55%	1 306	593	1 899	68.77%
Colour	6 735	224	6 959	96.78%	1 807	92	1 899	95.16%

ORIGINAL GRADING: These statistics for original gradings are based on individual grading of cup, colour, grade and other imperfections such as odour and/or bean size graded between 01/10/07 and 30/09/08

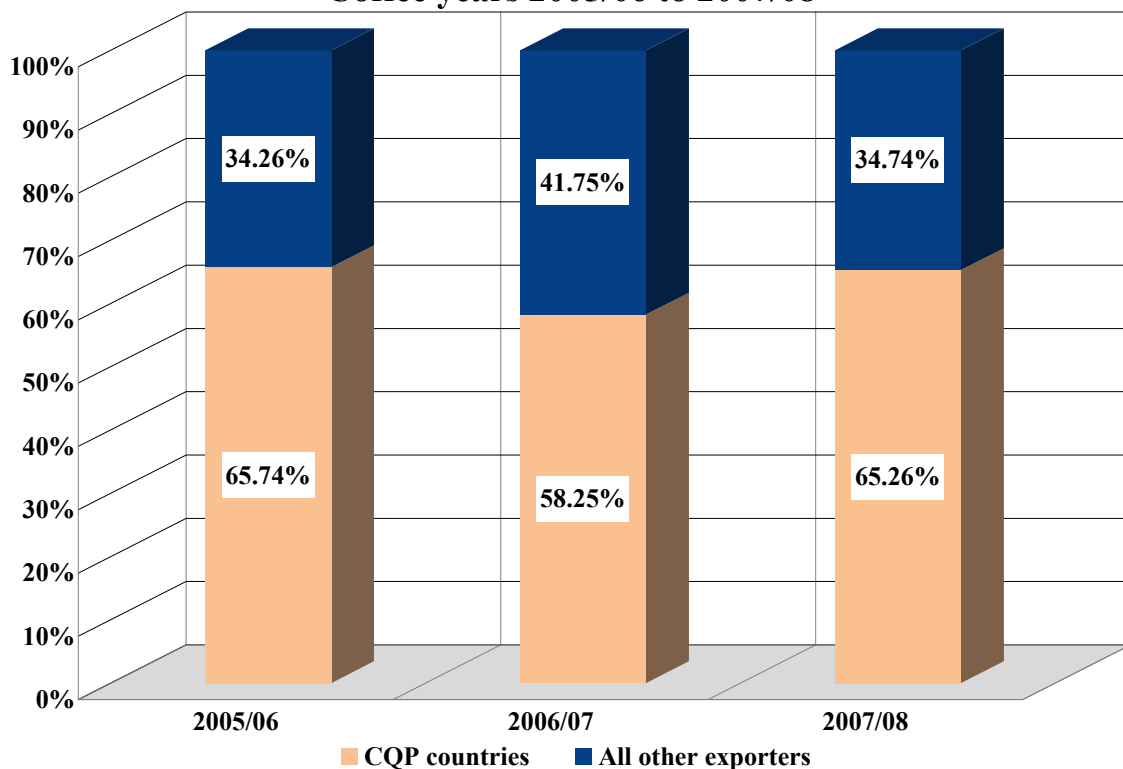
APPEAL GRADING: The owner of the coffee submitted as an original grading may appeal for any decision of the graders, for cup, colour, grade and any other imperfections such as odour and/or bean size and represents appeal gradings between 01/10/07 and 30/09/08 regardless of the date of original grading

Note from ICO: Date format converted to dd/mm/yy

Graph 1: Volume of green coffee exported
Coffee years 2005/06 to 2007/08



Graph 2: Share of green coffee exported
Coffee years 2005/06 to 2007/08



Graph 3: LIFFE Gradings Results
Volume of coffee deemed to be below CQP standards
Coffee years 2005/06 to 2007/08

