



Executive Board
270th Meeting
22 September 2009
London, England

**Gradings for Arabica
and Robusta coffees
October 2008 to June 2009**

Background

1. At the meeting held in March 2009, it was proposed that information relevant to the implementation of the Coffee Quality-Improvement Programme (CQP) would henceforth be presented in two separate documents. One would cover information extracted from Certificates of Origin issued by exporting Members and the other would present the results of the gradings for Arabica and Robusta coffees on international futures exchanges.
2. This document shows the gradings based on the information extracted from the websites of the Inter-Continental Exchange (ICE) for Arabica coffee and on the London International Financial Futures and Options Exchange (NYSE Liffe) for Robusta coffee, in the period October 2008 to June 2009.
3. The previous progress report on the implementation of the CQP is contained in document EB-3958/09.

Action

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

GRADINGS FOR ARABICA AND ROBUSTA COFFEE OCTOBER 2008 TO JUNE 2009

1. The Organization has systematically monitored progress in the gradings posted on the ICE website for Arabica coffee and on the NYSE Liffe website for Robusta coffee since October 2005.

Gradings for Arabica coffee

2. Regular reports on the Coffee 'C' contract grading analysis posted on the ICE website show the monthly summary and year-to-date data on the pass/fail results by origin. Based on these reports, over 80% of the coffee graded by ICE passed the original gradings analysis from October 2008 to June 2009. The original analysis on grade, cup and colour quality achieved 'pass' levels over 84%, 76% and 96%, respectively – see Table 1).

3. Honduras, Mexico and Peru were the most popular countries of origin in the ICE gradings where, in the period under reference, a total of 1,215 lots passed the original gradings. These three origins accounted for nearly 72% of the approved graded coffee.

Gradings for Robusta coffee

4. In the first nine months of coffee year 2008/09, the total volume of coffee graded by NYSE Liffe amounted to 5.07 million bags. Of this total, 2.22 million bags (43.6%) are deemed to have failed to comply with the target standards set out in Resolution 420.

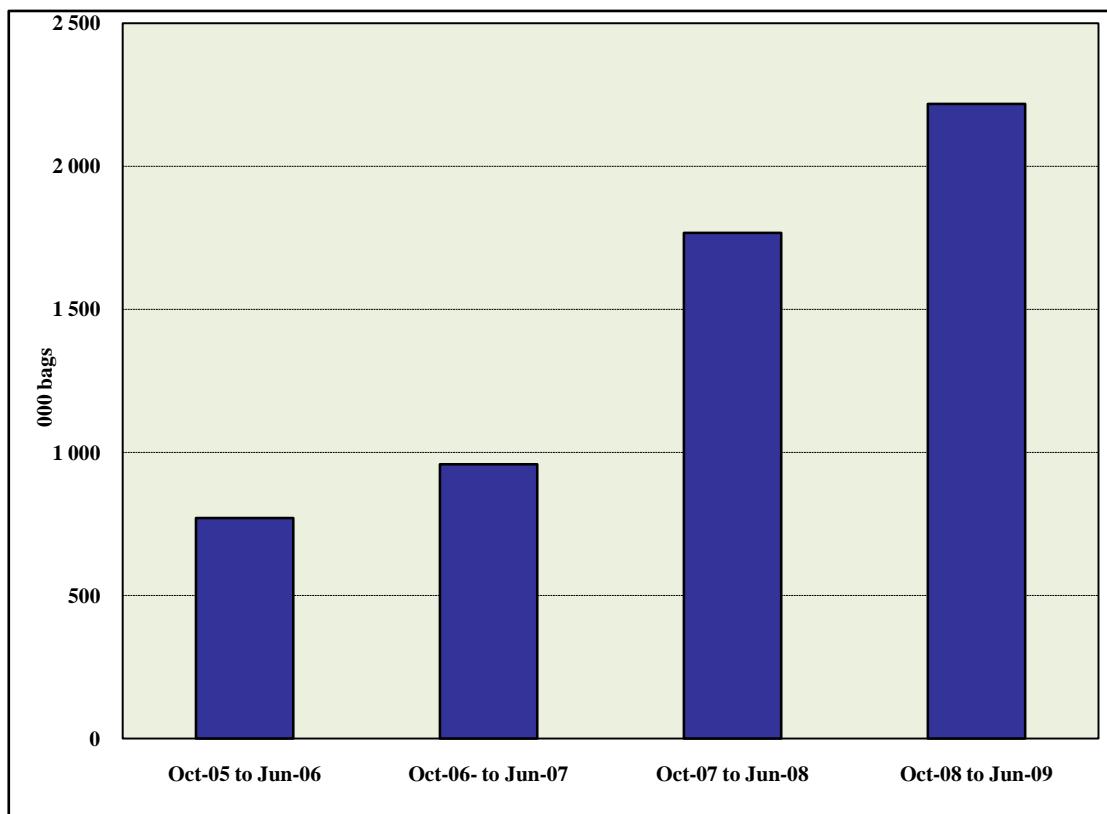
5. The volume of the coffee that is deemed to have failed the CQP standards originated mainly from Vietnam (75%) and Indonesia (9%). The 2.22 million bags that were deemed to fail to comply with the standards set out in Resolution 420 were located mainly in Antwerp (64%) and Trieste (17%) – see Table 2.

6. The volume of 2.22 million bags considered to have failed the CQP standards from October 2008 to June 2009 represents an increase of over 25% compared to the same period in 2007/08, when 1.77 million bags failed NYSE Liffe gradings standards, and an increase of over 84% compared with 2006/07 and 58% over 2005/06. Graph 1 shows the evolution of the gradings by NYSE Liffe in the first nine months – October to June – of each coffee year since 2005/06.

7. An additional tenderable grade has been included in the NYSE Liffe classification since February 2009 to the coffee classified thereby. This new grade received a classification 'P', for *Premium Class*, and refers to coffee that exceeds the usual classification standards grades 0 to 4. From February to June 2009, a total of 164,333 bags have been classified as *Premium class* coffee, of which 141,833 bags – equivalent to 86% – come from Vietnam. The other origins which have also had some coffee under this classification include Cameroon, India, Indonesia and Uganda – see Graph 2.

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

Graph 1: NYSE (Liffe) gradings deemed to be below CQP standards in the nine months October to June



Graph 2: Premium coffee graded by NYSE (Liffe) October 2008 to June 2009

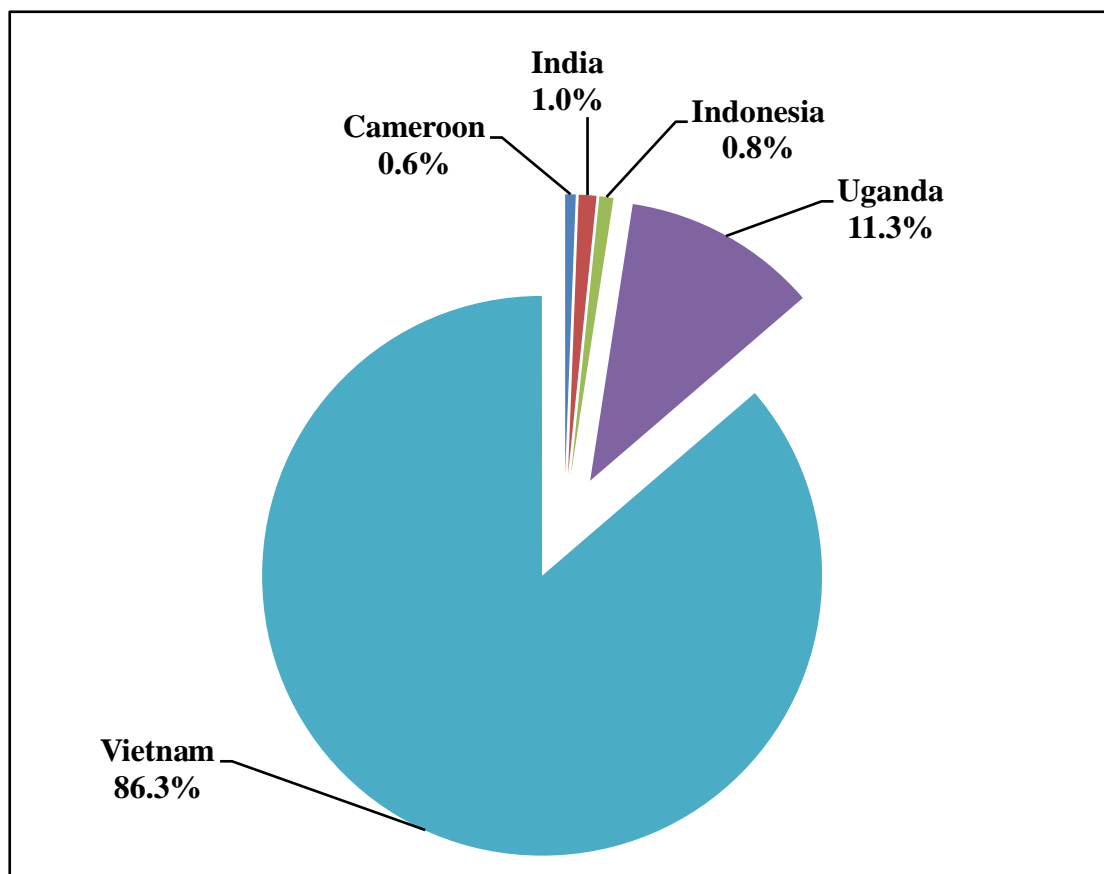


Table 1

**ICE Futures: Coffee "C" gradings summary analysis
October 2008 to June 2009**

Country of origin	Original		Appeals			Total		Pass
	Pass	Fail	Pass	Fail	Total	Pass	Fail	%
Burundi	79	68	19	40	59	98	49	66.67
Colombia								
Costa Rica								
Dominican Republic								
Ecuador								
El Salvador	169	50	20	7	27	189	30	86.30
Guatemala	11	11	6	6	12	17	5	77.27
Honduras	315	173	87	70	157	402	86	82.38
India	4	7	2	0	2	6	5	54.55
Kenya								
Mexico	309	137	74	50	124	383	81	82.54
Nicaragua	64	68	41	54	95	105	27	79.55
Panama								
Papua New Guinea								
Peru	246	110	70	40	110	316	52	85.87
Rwanda	12	17	3	9	12	15	14	51.72
Tanzania	4	22	0	2	2	4	22	15.38
Uganda	2	10	1	0	1	3	9	25.00
Venezuela								
Total	1 215	673	323	278	601	1 538	380	80.19

	Original				Appeals			
	Pass	Fail	Total	Pass %	Pass	Fail	Total	Pass %
Grade	1 619	298	1 917	84.45	466	139	605	77.02
Cup	1 466	451	1 917	76.47	460	145	605	76.03
Colour	1 836	81	1 917	95.77	582	23	605	96.20

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 01/10/08 and 30/06/09

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 01/10/08 and 30/06/09 regardless of the date of original grading

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

Table 2

**Volume of coffee graded by LIFFE deemed to be below the CQP standards
October 2008 to June 2009**

Country of origin	Port of discharge													
	Amsterdam	Antwerp	Barcelona	Bremen	Genoa	Hamburg	Le Havre	London	Marseilles	Norwich	New York	Rotterdam	Trieste	Total
Brazil	0	78 583	1 250	1 333	0	0	0	83	0	583	833	0	1 667	84 333
Cameroon	0	3 500	833	0	4 583	0	1 833	0	250	0	0	0	8 583	19 583
Congo, Dem. Rep. of	0	3 250	0	0	0	0	0	0	0	0	0	0	0	3 250
Côte d'Ivoire	0	6 833	1 250	0	17 500	2 500	2 833	0	23 417	0	0	0	917	55 250
Ghana	0	917	0	0	0	0	0	0	0	0	0	0	0	917
Guinea	0	52 333	3 333	0	333	2 750	0	0	83	0	0	0	1 500	60 333
India	0	2 500	167	0	0	0	0	0	83	0	0	0	1 083	3 833
Indonesia	0	153 167	0	2 167	20 750	1 500	3 500	0	0	0	1 250	0	25 333	207 667
Lao, People's Dem. Rep. of	0	4 833	0	0	0	0	0	0	0	0	0	0	0	4 833
Madagascar	0	3 167	0	0	0	167	0	0	4 083	0	0	0	0	7 417
Sierra Leone	0	13 667	0	0	0	417	4 667	0	0	0	0	0	0	18 750
Tanzania	0	8 250	1 500	0	2 917	0	0	0	0	0	0	0	13 833	26 500
Togo	0	8 167	0	0	0	0	3 167	0	0	0	0	0	0	11 333
Uganda	0	18 416	2 917	0	7 167	1 583	0	0	0	83	1 333	0	9 083	40 583
Vietnam	52 417	1 057 334	5 333	9 167	36 083	31 917	2 000	11 000	0	2 500	6 167	136 417	323 666	1 674 000
Total	52 417	1 414 917	16 583	12 667	89 333	40 833	18 000	11 083	27 917	3 167	9 583	136 417	385 666	2 218 583
% by port	2.36	63.78	0.75	0.57	4.03	1.84	0.81	0.50	1.26	0.14	0.43	6.15	17.38	

	% by origin
Brazil	3.80
Cameroon	0.88
Congo, Dem. Rep. of	0.15
Côte d'Ivoire	2.49
Ghana	0.04
Guinea	2.72
India	0.17
Indonesia	9.36
Lao, People's Dem. Rep. of	0.22
Madagascar	0.33
Sierra Leone	0.85
Tanzania	1.19
Togo	0.51
Uganda	1.83
Vietnam	75.45