



International Coffee Organization
Organización Internacional del Café
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**Progress report on the implementation
of the Coffee Quality-Improvement
Programme (CQP)
October 2007 to June 2008**

Background

1. One of the main objectives of the Coffee Quality-Improvement Programme (CQP) is the promotion of quality as a means to enhance the sustainability of the coffee economy. Exporting and importing Members have continued their commitment to improving quality through the CQP which was adopted in its current form when Resolution 420 was approved by the Council in May 2004.
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 Organization to monitor 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 from October 2007 to June 2008, the London International Financial Futures and Options Exchange (LIFFE) Robusta gradings and the Inter-Continental Exchange (ICE) Coffee Futures "C" Contract Gradings. 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-3947/08.

Action

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

**PROGRESS REPORT ON THE IMPLEMENTATION OF THE
COFFEE QUALITY-IMPROVEMENT PROGRAMME (CQP)
OCTOBER 2007 TO JUNE 2008**

1. There are 28 exporting Members providing information on the quality of the coffee they export, through Certificates of Origin. These 28 exporting Members accounted for nearly 67% of world exports from October 2007 to June 2008.

2. In the first 9 months of coffee year 2007/08, the volume of green coffee exported by 24 Members¹ providing information on the quality of their exports amounted to nearly 43.6 million bags, of which nearly 40 million bags (91.7%) were Arabica and 3.6 million bags were Robusta (8.3%).

3. Graph 1 shows the volume of green coffee classified under “S” (in full compliance with moisture and defects standards set out in Resolution 420) from October to June in the first 9 months of coffee years 2005/06 to 2007/08. Detailed information on the total volume of green coffee exported by the 28 exporting Members from October 2007 to June 2008, in accordance with the parameters set out in Resolution 420 is given in Table 2.

4. Total exports of green coffee from October 2007 to June 2008 amounted to 66.3 million bags, of which 44 million bags of Arabica (66.3%) and 22.3 million bags of Robusta (33.7%). In view of the information given in paragraph 2, the total volume of green coffee in full compliance with Resolution 420 amounts to nearly 65% of all green coffee traded. Table 3 shows the volume of green coffee exported by all exporting countries and that of the green coffee exported in accordance with the parameters of Resolution 420.

5. The volume of coffee graded by LIFFE which was deemed to have failed to comply with the targets of Resolution 420 from October 2007 to June 2008 amounted to 1.77 million bags. This represents an increase of over 84% compared to the same period in 2006/07 when 958,667 bags failed LIFFE gradings standards, and an increase of nearly 130% compared to 2005/06. In the first 9 months of coffee year 2007/08, over 47% failed the grading analysis in Antwerp and over 30% in Trieste. According to LIFFE data, over 68% of this coffee was shipped from Vietnam and over 11% from Côte d’Ivoire (see Table 4 for the volume of the coffee that failed LIFFE gradings from October 2007 to June 2008 by origin and by port). Graph 2 gives the volume of LIFFE gradings deemed to fall below the CQP target standards from October to June: 2005/06 to 2007/08.

6. The authorities in Vietnam will be continuing their efforts to educate growers to focus on improving the quality of their coffee. As the Robusta group indicator price reached the highest levels for over a decade, this could be an incentive to gradually introduce the perception that better premiums can be achieved with better quality coffees.

¹ *It should be noted that, as at 15 September 2008, data on Certificates of Origin had not been received from some exporting Members participating in the CQP for the period October 2007 to June 2008.*

7. 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 the period October 2007 to June 2008, over 83% 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 95%, 78% and 97%, respectively – see Table 5.
8. The Organization will continue to monitor LIFFE and ICE gradings as well as compliance with Resolution 420 by exporting Members.

Table 1: Exports of green coffee by the 28 Members participating in the CQP
Volume by type and equivalent percentage share
October 2007 to June 2008
60-kg bags

Country of origin	Total	Arabica	% share	Robusta	% share
Angola	5 240	0	0.00	5 240	100.00
Brazil	17 943 838	16 813 277	93.70	1 130 562	6.30
Cameroon	357 067	31 264	8.76	325 803	91.24
Colombia	8 573 074	8 573 074	100.00	0	0.00
Congo, Dem. Rep. of	112 009	30 096	26.87	81 913	73.13
Costa Rica	1 019 440	1 019 440	100.00	0	0.00
Cuba	3 017	3 017	100.00	0	0.00
Dominican Republic	31 901	31 901	100.00	0	0.00
Ecuador	82 752	58 104	70.21	24 648	29.79
El Salvador	1 148 291	1 148 291	100.00	0	0.00
Ethiopia	2 017 490	2 017 490	100.00	0	0.00
Guatemala	2 966 802	2 945 297	99.28	21 505	0.72
Honduras	2 796 114	2 796 114	100.00	0	0.00
India	2 006 061	629 642	31.39	1 376 419	68.61
Jamaica	16 795	16 795	100.00	0	0.00
Malawi	19 410	19 410	100.00	0	0.00
Mexico	1 447 598	1 417 308	97.91	30 290	2.09
Nicaragua	1 136 011	1 136 011	100.00	0	0.00
Papua New Guinea	748 628	742 123	99.13	6 505	0.87
Tanzania	562 118	428 708	76.27	133 410	23.73
Togo	112 008	0	0.00	112 008	100.00
Uganda	418 743	70 307	16.79	348 436	83.21
Zambia	44 380	44 380	100.00	0	0.00
Total	43 568 785	39 972 046		3 596 739	
% share	100.00	91.74		8.26	

Graph 1: Green coffee classified under "S"
October to June: 2005/06 to 2007/08

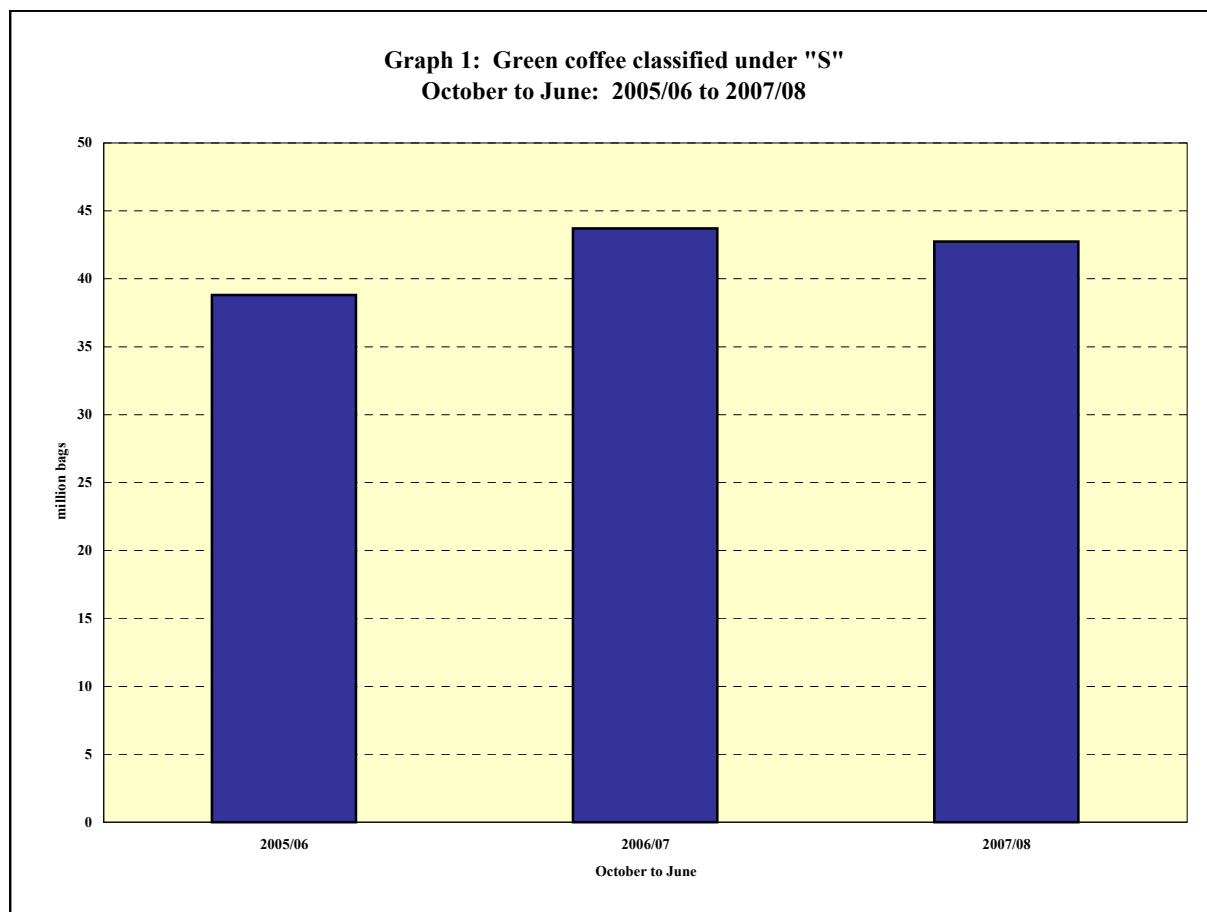


TABLE 2

**VOLUME OF GREEN COFFEE EXPORTED UNDER "S" COMPARED TO THE
VOLUME OF TOTAL GREEN COFFEE AND ITS PERCENTAGE IN THE TOTAL
OCTOBER 2007 to JUNE 2008
(60-kg bags)**

Exporting country	Total green coffee exported	Total green coffee in full compliance with defect and moisture standards ("S")	Green coffee under "S" as a % of total green exported
<i>Angola</i>	5 240	4 670	89.12
Benin	0	0	-
<i>Bolivia</i>	51 191	0	0.00
<i>Brazil</i>	17 943 838	17 936 079	99.96
<i>Burundi</i>	126 000	0	0.00
<i>Cameroon</i>	395 686	208 776	52.76
Central African Rep.	41 000	0	0.00
<i>Colombia</i>	8 573 074	8 561 127	99.86
<i>Congo, Dem. Rep. of</i>	160 948	111 687	69.39
Congo, Rep. of	0	0	-
<i>Costa Rica</i>	1 019 439	1 016 507	99.71
Côte d'Ivoire	1 122 617	0	0.00
<i>Cuba</i>	3 017	2 817	93.38
<i>Dominican Republic</i>	31 901	31 901	100.00
<i>Ecuador</i>	86 889	82 752	95.24
<i>El Salvador</i>	1 148 291	1 100 594	95.85
<i>Ethiopia</i>	2 017 489	2 017 490	100.00
<i>Gabon</i>	0	0	-
Ghana	12 049	0	0.00
<i>Guatemala</i>	2 966 798	2 966 802	100.00
Guinea	303 128	0	0.00
Haiti	13 379	0	0.00
<i>Honduras</i>	2 796 114	2 796 114	100.00
<i>India</i>	2 006 061	1 946 228	97.02
Indonesia	3 296 401	0	0.00
<i>Jamaica</i>	16 983	13 136	77.35
Kenya	481 267	0	0.00
Madagascar	80 000	0	0.00
<i>Malawi</i>	20 903	6 474	30.97
<i>Mexico</i>	1 447 598	1 447 598	100.00
<i>Nicaragua</i>	1 137 908	1 136 011	99.83
Nigeria	4 573	0	0.00
Panama	78 475	0	0.00
<i>Papua New Guinea</i>	748 628	739 271	98.75
Paraguay	3 110	0	0.00
<i>Philippines</i>	0	0	-
<i>Rwanda</i>	195 000	0	0.00
<i>Tanzania</i>	562 118	562 118	100.00
Thailand	116 500	0	0.00
<i>Togo</i>	112 007	111 186	99.27
<i>Uganda</i>	2 348 902	109 894	4.68
Venezuela, Bol. Rep. of	40 546	0	0.00
Vietnam	12 547 321	0	0.00
<i>Zambia</i>	44 380	44 380	100.00
Zimbabwe	24 651	0	0.00
Sub-total exporting Members	64 131 419	42 953 612	66.98
Sub-total others 1/	2 135 167	0	0
All exporting countries	66 266 586	42 953 612	64.82

Countries in bold italics are those participating in the CQP programme applying Resolution 420

1/ Guyana, Lao, Liberia, Peru, Sierra Leone, Sri Lanka, Timor-Leste, Trinidad & Tobago and Yemen

TABLE 3
RESOLUTION 420: CLASSIFICATION OF GREEN COFFEE BY TYPE
October 2007 to June 2008

	ARABICA					
Exporting Member	TOTAL	"S"	"XD"	"XM"	"XDM"	Unspecified
Brazil	16 813 277	16 805 517	0	7 760	0	0
Cameroon	31 264	11 525	0	0	0	19 739
Colombia	8 573 074	8 561 127	0	0	0	11 947
Congo, Dem. Rep. of	30 096	30 096	0	0	0	0
Costa Rica	1 019 439	1 016 507	1 466	0	1 466	0
Cuba	3 017	2 817	0	0	0	200
Dominican Republic	31 901	31 901	0	0	0	0
Ecuador	58 104	58 104	0	0	0	0
El Salvador	1 148 290	1 100 594	29 124	5 290	12 966	316
Ethiopia	2 017 490	2 017 490	0	0	0	0
Guatemala	2 945 297	2 945 297	0	0	0	0
Honduras	2 796 114	2 796 114	0	0	0	0
India	629 642	569 809	59 827	0	0	6
Jamaica	16 795	13 136	0	0	0	3 659
Malawi	19 410	6 474	0	0	0	12 936
Mexico	1 417 308	1 417 308	0	0	0	0
Nicaragua	1 136 011	1 136 011	0	0	0	0
Papua New Guinea	742 124	732 842	9 282	0	0	0
Tanzania	428 708	428 708	0	0	0	0
Uganda	70 305	34 487	0	0	0	35 818
Zambia	44 380	44 380	0	0	0	0
Total	39 972 046	39 760 244	99 699	13 050	14 432	84 621

	ROBUSTA					
Exporting Member	TOTAL	"S"	"XD"	"XM"	"XDM"	Unspecified
Angola	5 240	4 670	570	0	0	0
Brazil	1 130 562	1 130 562	0	0	0	0
Cameroon	325 803	197 251	0	0	0	128 552
Congo, Dem. Rep. of	81 913	81 591	0	0	0	322
Ecuador	24 648	24 648	0	0	0	0
Gabon	0	0	0	0	0	0
Guatemala	21 505	21 505	0	0	0	0
India	1 376 419	1 376 419	0	0	0	0
Mexico	30 290	30 290	0	0	0	0
Papua New Guinea	6 505	6 429	76	0	0	0
Tanzania	133 410	133 410	0	0	0	0
Togo	112 008	111 186	822	0	0	0
Uganda	348 436	75 407	0	0	0	273 029
Total	3 596 739	3 193 368	1 468	0	0	401 903

"S" = coffee is in full compliance with defect and moisture standards

"XD" = coffee does not conform with the target defects standard

"XM" = coffee does not conform with the target moisture standard

"XDM" = coffee does not conform with either standard (target defect or moisture)

TABLE 4

**Volume of Robusta coffee gradings by LIFFE deemed to be below the CQP standards
by country of origin and by port of discharge
October 2007 to June 2008**

Sum of 60-kg bags	Port													Grand Total	% by origin		
	Amsterdam	Antwerp	Barcelona	Bremen	Genoa	Hamburg	Le Havre	London	Marseilles	Norwich	Rotterdam	Trieste					
Origin																	
Brazil	0	45 750	0	0	8 833	0	0	3 167	0	25 750	1 583	2 833	87 917	4.97			
Cameroon	0	14 167	1 250	1 000	11 250	333	833	83	167	0	0	24 333	53 417	3.02			
Congo, Dem. Rep. of	0	14 167	0	0	500	0	0	0	0	0	0	500	15 167	0.86			
Côte d'Ivoire	1 000	98 167	20 833	0	54 250	917	3 500	0	5 333	0	0	20 333	204 333	11.56			
Ecuador	0	0	0	0	0	0	0	0	0	1 583	0	0	1 583	0.09			
Ghana	0	167	0	0	0	0	0	0	0	0	0	0	167	0.01			
Guinea	0	8 500	4 500	6 750	2 833	4 667	1 500	0	0	0	0	3 333	32 083	1.82			
India	0	500	0	0	0	0	0	83	0	0	0	417	1 000	0.06			
Indonesia	0	2 500	0	500	5 250	1 417	0	0	0	1 583	0	24 833	36 083	2.04			
Liberia	0	250	0	0	0	0	0	0	0	0	0	0	250	0.01			
Madagascar	0	4 917	500	0	0	4 833	6 333	0	0	0	0	83	16 667	0.94			
Nigeria	0	167	0	0	0	0	0	0	0	0	0	0	167	0.01			
Sierra Leone	0	9 000	0	0	0	667	0	0	250	0	0	0	9 917	0.56			
Tanzania	0	2 917	0	0	1 167	0	0	0	0	0	0	917	5 000	0.28			
Thailand	0	34 750	0	0	0	0	0	0	0	0	0	0	34 750	1.97			
Togo	0	19 167	0	0	333	9 500	8 917	0	0	0	0	4 917	42 833	2.42			
Uganda	0	3 167	3 917	0	250	1 417	0	83	0	750	0	6 333	15 917	0.90			
Vietnam	0	582 917	15 000	6 500	13 667	33 250	20 917	0	0	26 917	60 333	450 500	1 210 000	68.47			
Grand Total	1 000	841 167	46 000	14 750	98 333	57 000	42 000	3 417	5 750	56 583	61 917	539 333	1 767 250				
% by port	0.06	47.60	2.60	0.83	5.56	3.23	2.38	0.19	0.33	3.20	3.50	30.52					

**Graph 2: Volume of coffee graded by Liffe
deemed to be below CQP standards
October to June: 2005/06 to 2007/08**

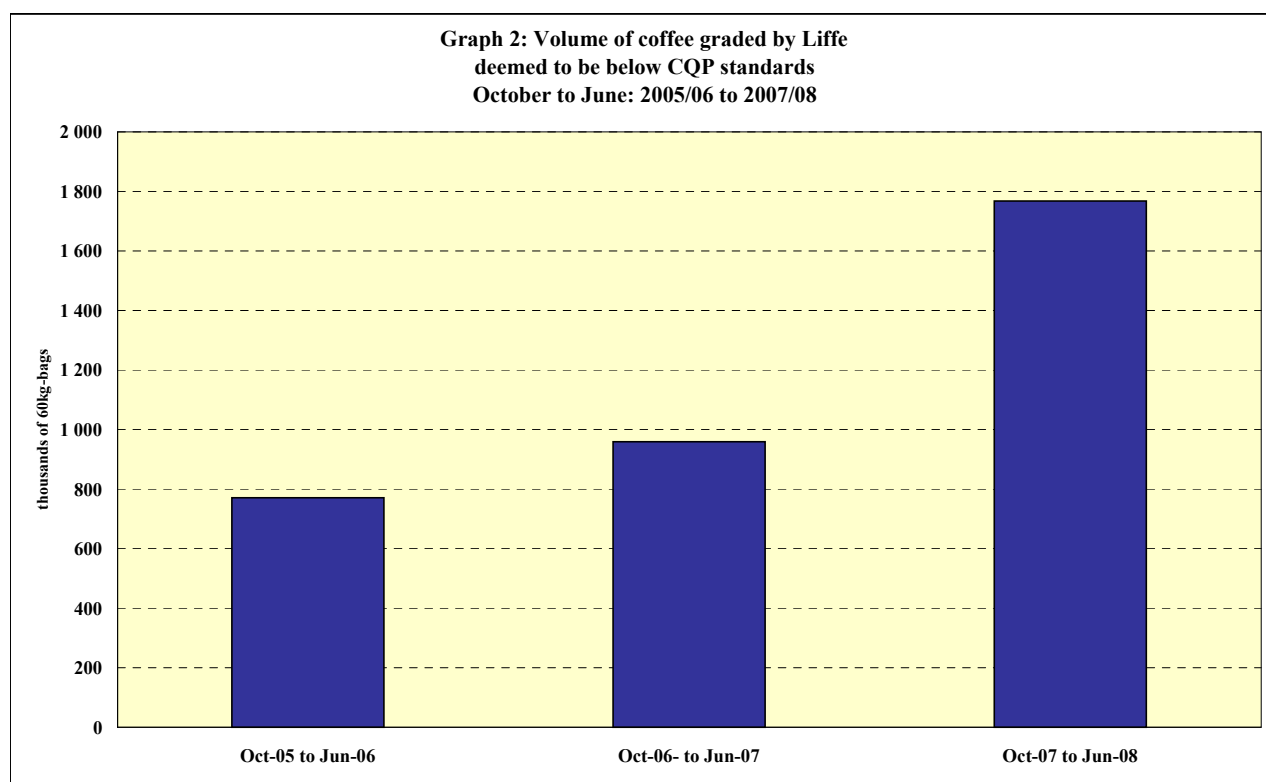


TABLE 5

**ICE Futures: Coffee "C" gradings summary analysis
OCTOBER 2007 TO JUNE 2008**

Country of origin	Original		Appeals			Total		Pass
	Pass	Fail	Pass	Fail	Total	Pass	Fail	%
Burundi	3	7	9	4	13	12	-2	85.71
Colombia	69	59	21	19	40	90	38	70.31
Costa Rica	2	8	1	1	2	3	7	30.00
Dominican Republic								
Ecuador	2	0	0	0	0	2	0	100.00
El Salvador	768	178	75	68	143	843	103	89.11
Guatemala	164	79	38	37	75	202	41	83.13
Honduras	1 073	536	221	223	444	1 294	315	80.42
India	76	15	6	4	10	82	9	90.11
Kenya								
Mexico	542	333	191	140	331	733	142	83.77
Nicaragua	392	99	53	23	76	445	46	90.63
Panama	1	0	0	0	0	1	0	0.00
Papua New Guinea								
Peru	347	114	69	35	104	416	45	90.24
Rwanda	2	3	0	3	3	2	3	40.00
Tanzania	0	7	0	4	4	0	7	0.00
Uganda	0	2	2	0	2	2	0	100.00
Venezuela	34	71	20	34	54	54	51	51.43
Total	3 475	1 511	706	595	1 301	4 181	805	83.85

	Original		Appeals					
	Pass	Fail	Total	Pass %	Pass	Fail	Total	Pass %
Grade	4 726	269	4 995	94.61%	1 217	84	1 301	93.54%
Cup	3 879	1 116	4 995	77.66%	883	418	1 301	67.87%
Colour	4 841	154	4 995	96.92%	1 250	51	1 301	96.08%

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 30/06/08

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 30/06/08 regardless of the date of original grading

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