



INTERNATIONAL COFFEE ORGANIZATION
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**Gradings results for Arabica and
Robusta coffees
Calendar years 2005 to 2011 and
January to June 2012**

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 websites of the Inter-Continental Exchange (ICE) for Arabica coffee and on the NYSE Euronext (Liffe) exchange for Robusta in calendar years 2005 to 2011 and in the first six months of 2012.
3. The previous report on the gradings results for Arabica and Robusta coffees in the New York and London futures markets is contained in document PM-12/12.

Action

The Promotion and Market Development Committee is requested to take note of this report.

**GRADINGS RESULTS FOR ARABICA AND ROBUSTA COFFEE
CALENDAR YEARS 2005 TO 2011 AND JANUARY TO JUNE 2012**

1. The gradings results for Arabica coffee on the Intercontinental Exchange (ICE) and on the NYSE Euronext for Robusta coffee are systematically monitored by the Organization through the results posted on their websites. This report gives the results of these gradings analyses for the last seven 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 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 on grade, cup and colour quality achieved. Table 1 shows a summary of the results for each category since 2005.

**Table 1: ICE analysis results – percentage pass on original gradings
Calendar years 2005 to 2011 and January to June 2012**

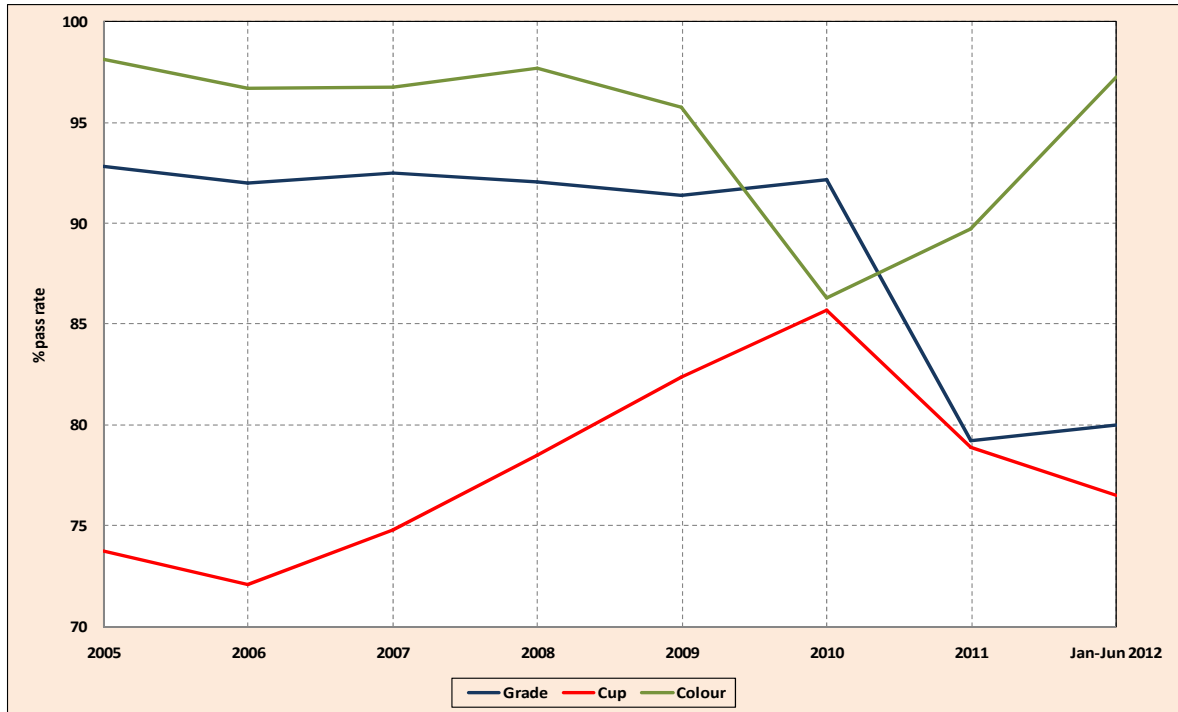
	Original pass rates (%)			Overall "pass" rate
	Grade	Cup	Colour	
2005	92.8	73.8	98.2	82.5%
2006	92.0	72.1	96.7	79.7%
2007	92.5	74.8	96.7	82.1%
2008	92.1	78.5	97.7	84.1%
2009	91.4	82.4	95.8	87.3%
2010	92.2	85.7	86.3	85.2%
2011	79.2	78.9	89.8	70.0%
Jan-Jun 2012	80.0	76.5	97.3	73.4%

3. The overall ‘pass’ rate by ICE for the Coffee ‘C’ gradings analysis reached its historical peak of 87.3% in 2009. The second highest rate recorded in the period was in 2010 when it reached 85.2%. The lowest percentage ‘pass’ rate recorded since the implementation of the CQP was 70% in 2011, well below the 80% period average.

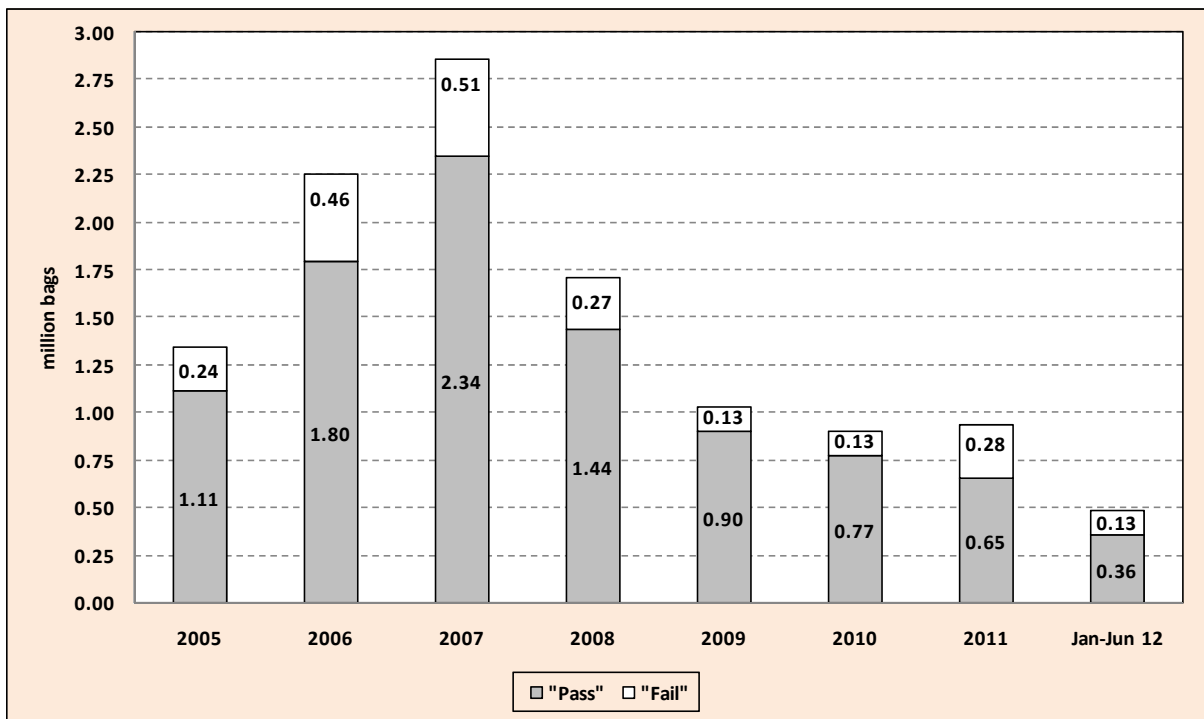
4. Graph 1 shows the percentage pass in the original gradings for grade, cup and colour analysis in the period covered by this report. The results on grade analysis indicate a slight increase of 0.8% in the first six months of 2012 compared to the level recorded in 2011. The ‘pass’ levels of the analysis on colour have increased from 89.8% in 2011 to 97.3% during the January to June 2012 period. However, the results on cup analysis show a decline from 85.7% in 2010 to 76.5% in the past six months.

5. Graph 2 shows the overall gradings results – ‘pass’ and ‘fail’ rates – historically from 2005.

**Graph 1: Grade, cup and colour analysis results by ICE
Calendar years 2005 to 2011 and January to June 2012**



**Graph 2: Volume of 'pass' and 'fail' rates according to the gradings analysis by ICE
Calendar years 2005 to 2011 and January to June 2012**

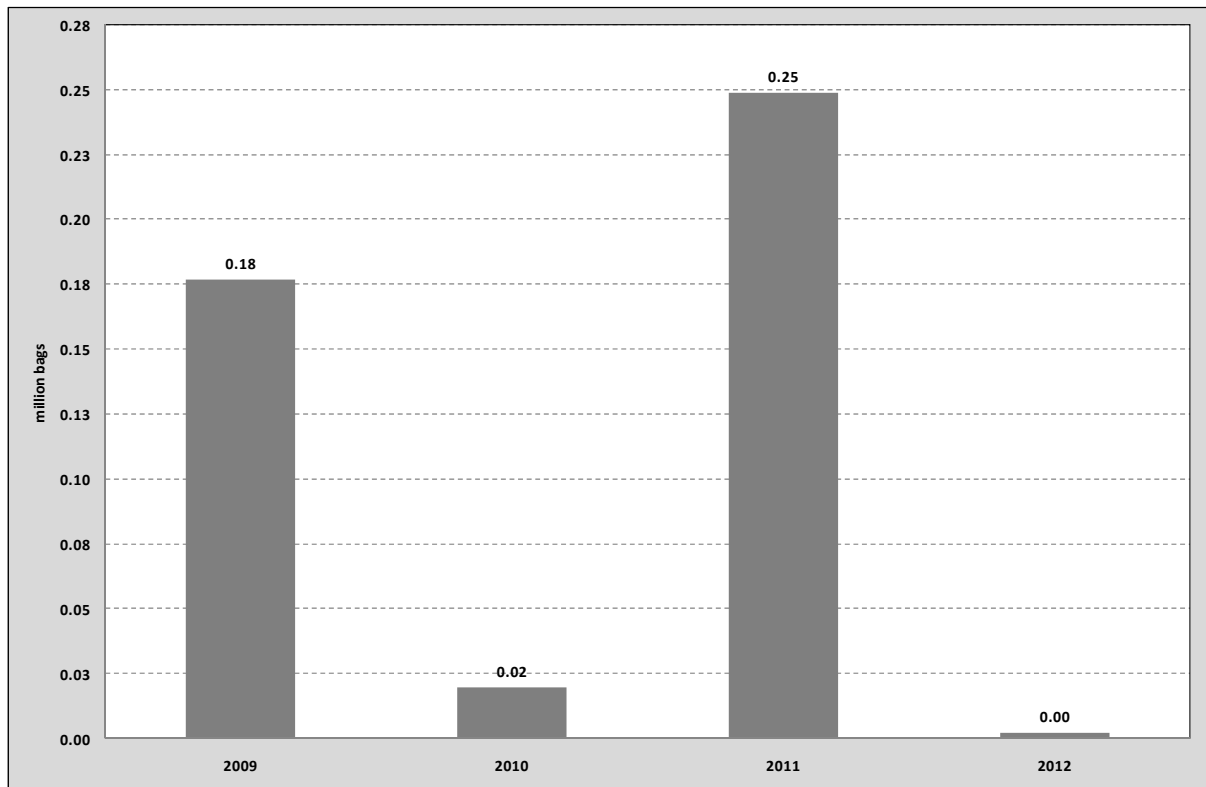


Gradings results for Robusta coffee

6. The total volume of coffee graded by NYSE Euronext from 2005 to 2011 and in the first six months (January to June) of 2012 amounts to 21.53 million bags. In this period, the volume of coffee deemed to be below the standards set out by the CQP programme, in line with the parameters set out in Resolution 420, amounts to 12.25 million bags – equivalent to 56.9% of the total.

7. The introduction of a 'P' premium grade in 2009 for coffee that exceeds the usual classification standards from grades '0' to '4' resulted in 448,500 bags obtaining a premium grade. Graph 3 shows the volume of coffee that received this grade ('P') each year from 2009 to 2011 and from January to June 2012. India and Vietnam are the origins that together account for nearly 78% of this premium graded coffee.

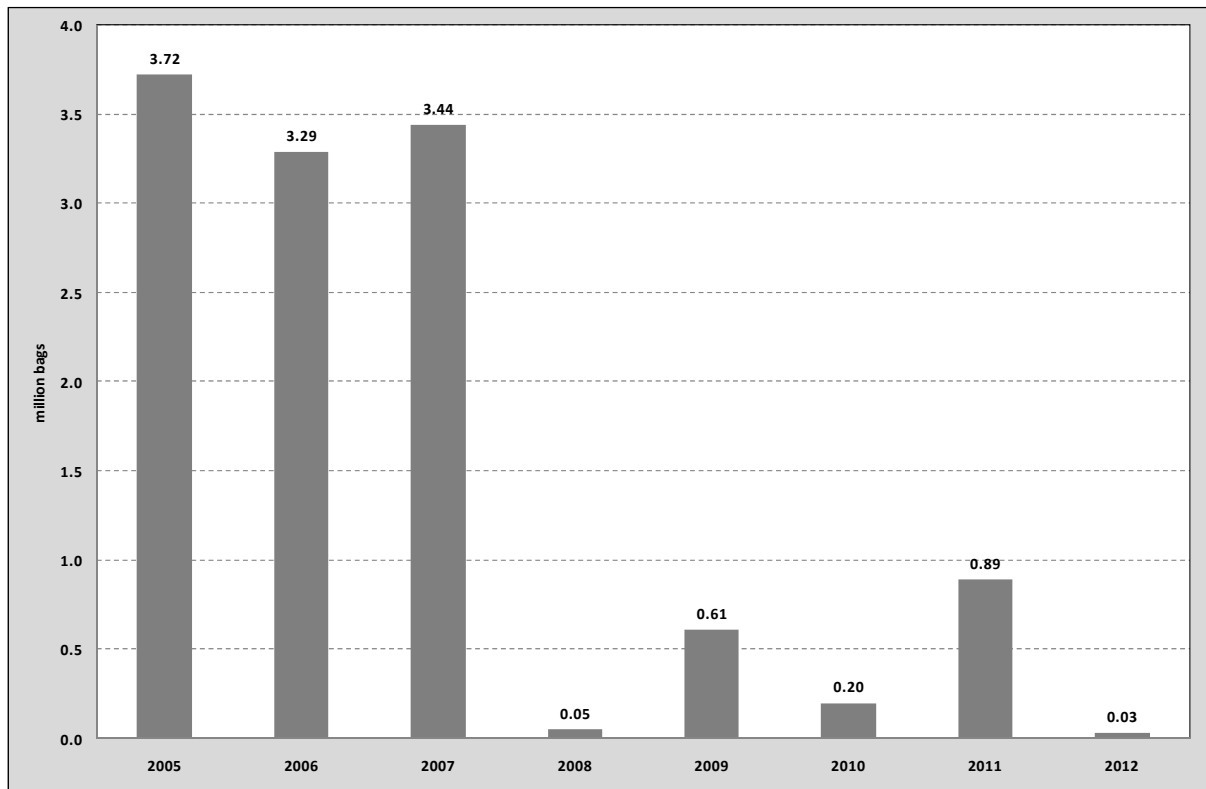
**Graph 3: Gradings analysis by NYSE
Premium graded coffee
Calendar years 2009 to 2011 and January to June 2012**



8. Graph 4 shows the total volume of coffee with gradings deemed to be below the CQP standards in each year from 2005.

9. The results show that the countries of origin of the highest volume of coffee graded below the CQP standards at the ports of discharge are Vietnam, with 8.84 million bags – equivalent to 72.1% of all the coffee deemed to be below the CQP standards since 2005, followed by Cote d’Ivoire, with 1.0 million bags or 8.2% of the total. In addition, from January to June 2012, Vietnamese coffee also accounts for 62.6% of the coffee deemed to be below CQP standards in the first six months of this year. Table 2 gives the volume of coffee graded by NYSE deemed to be below CQP standards, by origin and by port of discharge in the period covered by this report.

**Graph 4: Gradings analysis by NYSE
(coffee deemed to be below CQP standards)
Calendar years 2005 to 2011 and January to June 2012**



**Table 2: NYSE gradings results by origin and by port of discharge
(deemed to be below CQP standards)
Calendar years 2005 to 2011 and January to June 2012
(60-Kg bags)**

Origin	2005	2006	2007	2008	2009	2010	2011	2012
Brazil	111 667	199 167	166 000	3 667	333	0	42 833	500
Cameroon	167	76 000	118 667	0	18 000	1 667	4 000	0
Congo, Dem. Rep. of	0	1 000	7 500	0	0	1 500	1 833	0
Congo, Rep. of	0	0	0	0	1 000	1 500	0	0
Cote d'Ivoire	0	516 667	431 333	0	6 167	37 333	3 833	5 833
Gabon	0	0	0	0	0	0	167	0
Ghana	14 833	11 000	3 333	0	2 333	0	333	0
Guinea	136 667	102 667	120 500	46 833	22 000	7 667	31 833	833
India	0	10 000	2 333	0	9 000	0	3 833	0
Indonesia	48 000	9 333	64 667	0	23 500	20 667	82 000	0
Indonesia	0	0	0	0	0	0	0	5 333
Lao, People's Dem. Rep. of	0	0	0	0	4 833	333	1 167	0
Liberia	0	0	500	0	0	0	0	0
Madagascar	9 500	65 167	22 833	0	833	3 333	5 667	0
Nigeria	500	1 000	333	0	0	0	0	0
Sierra Leone	4 667	4 833	29 333	0	19 333	5 500	1 167	333
Tanzania	0	10 500	13 167	0	10 000	2 667	7 167	0
Thailand	51 833	102 667	71 333	0	0	0	0	0
Togo	0	54 833	103 167	0	28 500	100 667	81 833	0
Uganda	0	29 500	16 500	0	3 167	2 167	6 333	0
Vietnam	3 343 833	2 095 000	2 272 167	3 000	465 333	16 000	619 000	21 500
Grand Total	3 721 667	3 289 333	3 443 667	53 500	614 333	201 000	893 000	34 333

Port of discharge	2005	2006	2007	2008	2009	2010	2011	2012
Amsterdam	0	31 667	0	0	2 333	0	49 667	1 667
Antwerp	2 003 333	1 825 000	1 567 167	47 000	415 667	159 500	563 833	25 833
Barcelona	0	46 833	88 833	0	8 167	12 667	10 833	0
Bremen	0	667	86 000	1 000	500	0	167	0
Genoa	0	251 167	260 833	333	28 167	2 000	54 333	0
Hamburg	116 833	102 667	233 667	0	21 000	0	18 167	0
Le Havre	2 333	133 333	93 833	0	12 667	16 000	9 833	0
London	18 500	9 167	10 667	0	3 333	333	12 833	3 000
Marseilles	0	0	24 333	0	833	7 833	0	0
New York	0	0	0	0	1 333	0	0	0
Norwich	0	0	110 000	3 667	3 667	0	12 833	0
Rotterdam	341 000	112 667	309 000	0	46 500	0	53 000	667
Trieste	1 239 667	776 167	659 333	1 500	70 167	2 667	107 500	3 167
Grand Total	3 721 667	3 289 333	3 443 667	53 500	614 333	201 000	893 000	34 333

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