



INTERNATIONAL COFFEE ORGANIZATION
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**Gradings results for Arabica and
Robusta coffees
Calendar years 2005 to 2010**

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 target 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 2010.
3. The previous progress report on the gradings results for Arabica and Robusta coffees in the New York and London futures markets is contained in document EB-3976/10.

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 2010**

1. The Organization has systematically monitored progress in the gradings results posted on the ICE website for Arabica coffee and on the NYSE Euronext website for Robusta coffee. This report gives the results of these gradings analyses for the six 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 overall percentage pass in the original gradings on grade, cup and colour quality achieved. Table 1 shows a summary of the results for each category by calendar year since 2005.

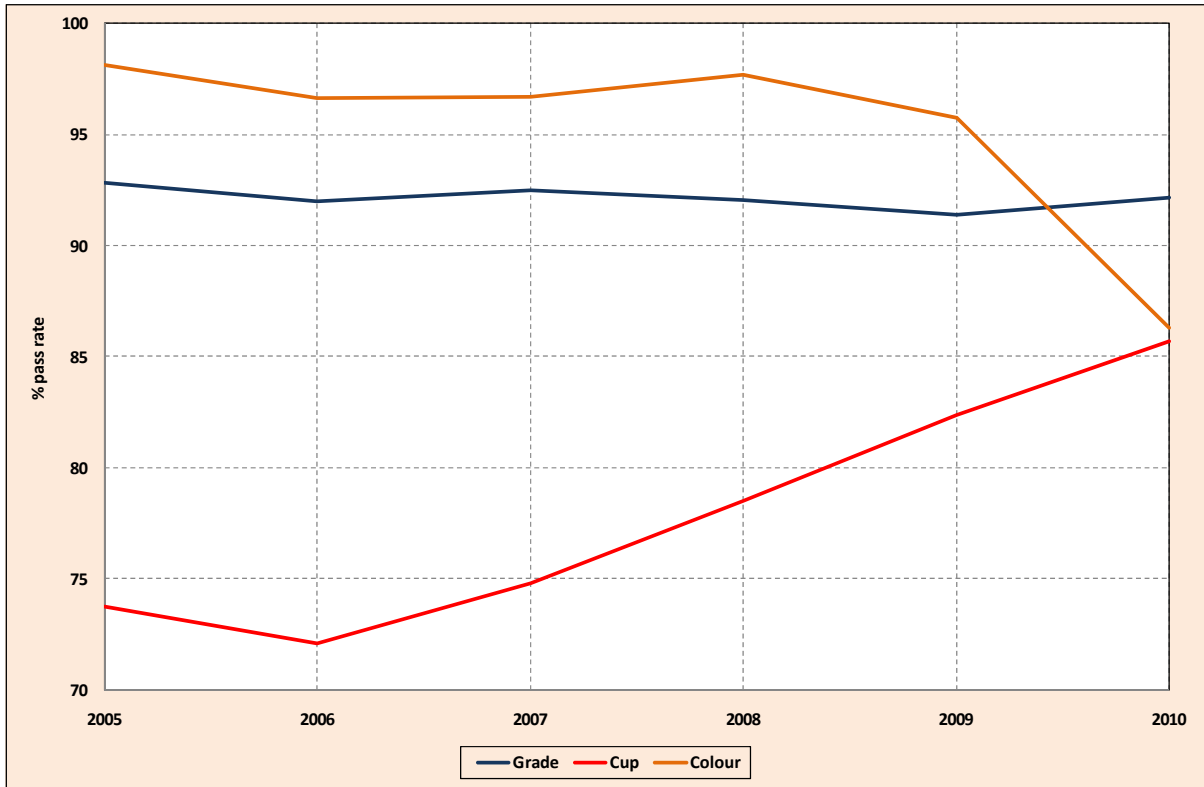
**Table 1: ICE analysis results – percentage pass on original gradings
Calendar years 2005 to 2010**

	Original pass rates (%)		
	Grade	Cup	Colour
2005	92.82	73.78	98.15
2006	92.01	72.10	96.68
2007	92.48	74.80	96.73
2008	92.05	78.50	97.70
2009	91.38	82.38	95.76
2010	92.18	85.68	86.31

3. Coffee gradings from origins like El Salvador, Honduras, Mexico and Peru have consistently accounted for about 90% of the approved “pass” results. Over the period, other origins include: Burundi, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, India, Kenya, Nicaragua, Papua New Guinea, Panama, Rwanda, Tanzania, Uganda and Venezuela.

4. Graph 1 below shows the percentage pass in the original gradings for colour, grade and cup analysis in the 6 calendar years covered by this report. The results on grade and colour have obtained “pass” levels over 90% in the last six years. It should be noted that the “pass” levels of the analysis on colour dropped from its highest rate of over 98% in 2005 to just over 86% in 2010. The “pass” levels on the grade analysis have been consistently uniform and have achieved an average of 92% in the period. The results on cup analysis, however, have shown an improved performance from 72% “pass” levels in 2006 to over 85% in 2010.

Graph 1
Colour, cup and grade analysis results by ICE
2005 to 2010



Gradings results for Robusta coffee

5. The total volume of coffee graded by NYSE Euronext from January 2005 to December 2010 amounts to 14.35 million bags. The volume of coffee deemed to be below the standards set out in Resolution 420 amounts to 9.07 million bags – equivalent to 63.2% of the total. It should be noted that in 2009 a new grade was introduced to coffee that exceeds the usual classification standards grades 0 to 4.

6. The introduction of a “P” premium grade in 2009 for coffee that exceeds the usual classification standards resulted in 196,667 bags receiving this grade. Therefore, the volume of coffee graded by NYSE deemed to be below the CQP standards represents 65% of the total volume graded. The analysis show that Vietnam was the origin of the highest volume of the coffee rejected at the ports of gradings with 6.46 million bags in total during the period and that total gradings in Antwerp amounted over 5 million bags from January 2005 to December 2010. Graph 2 shows the volume of coffee graded each year in the period and Tables 2 and 3 show the volume graded by port and by origin, respectively, from 2005 to 2010.

Graph 2
Gradings analysis by NYSE
(deemed to be below CQP standards)
2005 to 2010

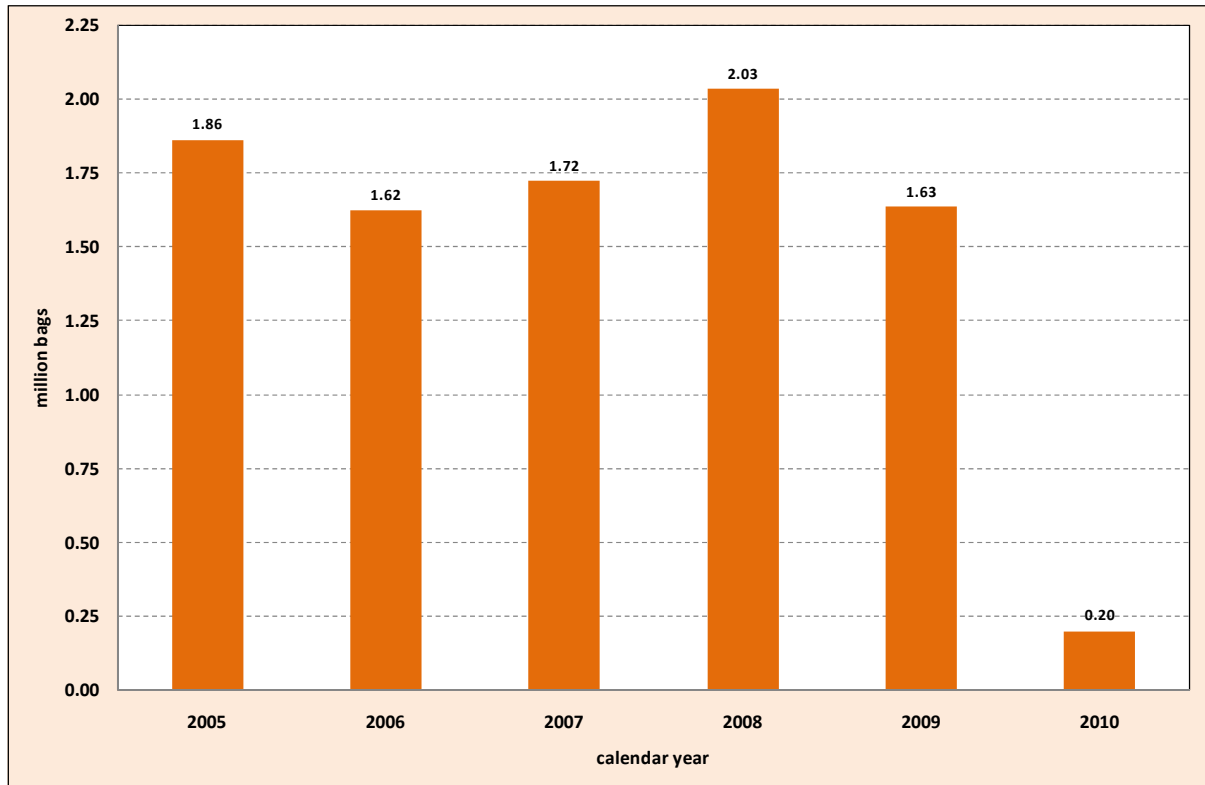


Table 2: NYSE gradings results by port (deemed to be below CQP standards)
Calendar years 2005 to 2010

Port	calendar year					
	2005	2006	2007	2008	2009	2010
Amsterdam	0	15 833	0	1 000	52 750	0
Antwerp	1 001 667	899 083	783 583	1 114 250	1 043 333	159 500
Barcelona	0	23 417	44 417	28 250	14 250	12 667
Bremen	0	333	43 000	35 917	10 333	0
Genoa	0	125 583	130 417	49 583	66 250	2 000
Hamburg	58 417	51 333	116 833	40 750	31 583	0
Le Havre	1 167	66 667	46 917	8 917	13 750	16 000
London	9 250	4 583	5 333	4 167	10 167	333
Marseilles	0	0	12 167	10 500	17 417	7 833
New York	0	0	0	1 083	8 833	0
Norwich	0	0	55 000	6 250	5 500	0
Rotterdam	170 500	56 333	154 500	155 167	46 583	0
Trieste	619 833	378 333	329 667	576 417	313 167	2 667
Total	1 860 833	1 621 500	1 721 833	2 032 250	1 633 917	201 000

**Table 3: NYSE gradings results by origin (deemed to be below CQP standards)
Calendar years 2005 to 2010**

Origin	calendar year					
	2005	2006	2007	2008	2009	2010
Brazil	55 833	99 583	83 000	82 833	58 667	0
Cameroon	83	38 000	59 333	13 250	28 500	1 667
Congo, Dem. Rep. of	0	500	3 750	17 500	250	1 500
Congo, Rep. of	0	0	0	0	1 000	1 500
Côte d'Ivoire	0	258 333	215 667	73 417	30 333	37 333
Ecuador	0	0	0	1 583	0	0
Ghana	7 417	5 250	1 667	333	2 500	0
Guinea	68 333	51 250	60 250	8 083	22 833	7 667
India	0	5 000	1 167	2 333	12 250	0
Indonesia	24 000	4 667	32 333	308 167	162 333	20 667
Lao, People's Dem. Rep. of	0	0	0	0	4 833	333
Liberia	0	0	250	333	0	0
Madagascar	4 750	32 583	11 417	31 167	4 667	3 333
Nigeria	250	500	167	0	0	0
Sierra Leone	2 333	2 417	14 667	13 167	19 333	5 500
Tanzania	0	5 250	6 583	22 833	24 500	2 667
Thailand	25 917	51 333	35 667	6 083	0	0
Togo	0	27 417	51 583	3 833	28 333	100 667
Uganda	0	14 750	8 250	39 167	33 500	2 167
Vietnam	1 671 917	1 024 667	1 136 083	1 408 167	1 200 083	16 000
Total	1 860 833	1 621 500	1 721 833	2 032 250	1 633 917	201 000

7. The launch of new quality standards in Vietnam together with the increase in the size of the lots graded by NYSE from 5 to 10 metric tonnes may have contributed to a drop of nearly 88% in the volume of the coffee graded (deemed to have failed the CQP standards) from 1.63 million bags in 2009 to only 201,000 in 2010 – this volume is equivalent to just under 26% of the total volume graded by NYSE in calendar year 2010.

8. As mentioned in paragraph 6 above, 196,667 bags graded by NYSE received a “P” premium grade, of which 176,833 bags were graded in 2009 and 19,833 bags in 2010. These gradings analyses show that some 77% of this coffee is from Vietnam, 10% from Uganda, 5% from India, 3% from Cameroon and nearly 2% from Indonesia. The remainder comes from other origins like Côte d’Ivoire, Madagascar, Tanzania and Togo.

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