



International Coffee Organization
Organización Internacional del Café
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**Progress report on the implementation
of the Coffee Quality-Improvement
Programme (CQP) – January 2007**

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). Exporting and importing Members have continued their commitment to improving quality through the CQP which was adopted in its current form when Resolution number 420 was approved by the Council in May 2004
2. In accordance with the Resolution, exporting Members are requested, should they wish, 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 contains information for coffee year 2005/06 – (October 2005 to September 2006), of the London International Financial Futures and Options Exchange (LIFFE) Robusta gradings and for NYBOT Coffee “C” Gradings. It also contains information on progress on implementing the CQP under the provisions of Resolution number 420 in exporting Member countries in the same period based on data extracted from Certificates of Origin in the same period and, to the extent possible, in previous coffee years for comparison purposes. The previous report on the CQP is contained in document WP-Board No. 1011/06.

Action

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

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

1. Following the adoption of Resolution number 420 by the Council, exporting Members have been requested to voluntarily indicate on Certificates of Origin information on the quality of green coffee exports. The Organization has been monitoring information received from these Members on all shipments that have taken place from 1 June 2004 – when the Resolution came into effect. This report concentrates on information related to shipments in coffee year 2005/06 (October 2005 to September 2006) – which may vary from country to country in accordance with the data received. Some statistics are also given since the Resolution came into effect in June 2004 so that progress on its implementation may be assessed.

2. Since the last report on this matter, Malawi is the latest country to implement Resolution number 420. There are now 25 exporting Members – Angola, Bolivia, Brazil, Burundi, Cameroon, Colombia, Costa Rica, Democratic Republic of Congo, Dominican Republic, Ecuador, El Salvador, Ethiopia, Guatemala, Honduras, India, Jamaica, Malawi, Mexico, Nicaragua, Papua New Guinea, Philippines, Rwanda, Tanzania, Togo and Zambia – who have been informing the Organization of the quality of their green coffee exports since the Resolution was introduced in these countries. Annexes I and II give details of the exports of all green coffee – with breakdown between Arabica and Robusta, respectively – by the countries complying with the provisions of Resolution number 420, in volume and its equivalent percentage. It should be noted that in the period covered by this report, data may not have been received from all the exporting Members listed. Graph 1 shows progress in participation on the CQP since its initial implementation in October 2002 (Resolution number 407)¹.

3. Graph 2 shows the total volume of green coffee exported by all exporting countries from 2003/04 to 2005/06 based on Certificates of Origin received by the Organization, compared with the volume of the green coffee in total compliance with the quality standards (classified under “S”) and the coffee with quality unspecified. This shows a continued improvement in the percentage of “S” classified coffee of the total exported from 31.6% in 2003/04; to 69.2% in 2004/05 and 73.1% in 2005/06.

4. The Organization continues to monitor the daily gradings for Robusta coffee carried out by LIFFE since April 2001 at most European ports. Annex III contains a summary of these gradings – classified by LIFFE under types 3, 4 and untenderable, in accordance with its grading system, which are deemed to fall below the ICO target standards – by port and by origin during 2005/06. The volume of coffee graded by LIFFE which was deemed to have

¹ *Resolution number 420 introduced some more specific albeit voluntary requirements.*

failed to comply with the targets of Resolution number 420 in this period amounted to 1.49 million bags. Of this total, over 53% failed the grading analysis in Antwerp and over 72% was exported by Vietnam. This compares with 1.88 million bags that failed gradings in 2004/05, representing a decrease of just over 20% in failed gradings from last year. Graph 3 shows the volume of coffee graded by LIFFE (classified under 0, 3 and 4 grades) from coffee year 2002/03 to 2005/06. This also shows a steady decline in the lower gradings.

5. Regular reports on the Coffee “C” contract grading analysis are posted on the New York Board of Trade (NYBOT) website showing the monthly summary and year to date results on the pass/fail results by origin. Coffee which has been graded and failed may be submitted to an appeal grading for cup, colour, grade and other imperfections such as odour and/or bean size. The reports indicate that in coffee year 2005/06 over 80% of the coffee graded by NYBOT (81% on the original grading and an additional 19% on appeal) passed the grading analysis – see Annex IV for details.

6. During coffee year 2005/06, the volume of green coffee exported by the 25 Members implementing the Resolution amounted to 54.4 million bags of which over 49.8 million bags were Arabica (just under 92%) and nearly 4.6 million bags were Robusta (over 8%). Of this total, 51.9 million bags were in full compliance with the Resolution (over 95%), of which 47.8 million bags were Arabica and 4.1 million bags were Robusta. The total volume exported by the 25 exporting Members in 2005/06 is equivalent to over 66% of the exports of green coffee by all exporting countries.

7. The figures for Robusta coffee continue to cause some concern, although the reduction in lower qualities graded by LIFFE is encouraging. The Organization will continue to monitor LIFFE and NYBOT gradings as well as compliance with Resolution number 420 by exporting Members based on data extracted from Certificates of Origin.

Exports of all green coffee classified in accordance with Resolution number 420
Coffee year 2005/06
Volume (60-kg bags)

Exporting country / Origin	Total exports of green coffee	Full compliance "S"	Below defect target "XD"	Below moisture target "XM"	Below moisture & defect targets "XDM"	Unspecified
Angola	3 840	1 800	1 155	300	0	585
Brazil	22 333 717	22 186 836	126 807	0	0	20 074
Burundi	3 678	0	0	0	0	3 678
Cameroon	490 066	443 957	0	0	0	46 109
Colombia	9 205 316	9 203 654	0	0	0	1 662
Congo, Dem. Rep. of	67 528	50 250	600	0	0	16 678
Costa Rica	1 042 832	991 792	0	2 826	0	48 214
Dominican Republic	56 813	56 813	0	0	0	0
Ecuador	378 328	289 686	0	0	0	88 643
El Salvador	1 269 482	1 214 121	39 756	7 476	6 864	1 265
Ethiopia	2 530 796	2 530 796	0	0	0	0
Guatemala	3 344 031	3 344 031	0	0	0	0
Honduras	2 928 560	2 880 186	25 323	0	0	23 052
India	3 079 685	2 950 510	127 895	0	0	1 280
Jamaica	17 770	17 770	0	0	0	0
Malawi	20 115	3 415	0	0	0	16 700
Mexico	1 836 218	1 836 218	0	0	0	0
Nicaragua	1 362 402	1 361 453	0	0	633	316
Papua New Guinea	993 256	971 065	22 191	0	0	0
Philippines	2 741	2 741	0	0	0	0
Rwanda	61 263	59 023	2 240	0	0	0
Tanzania	655 043	654 133	0	0	0	910
Togo	126 393	113 579	0	0	0	12 814
Zambia	95 928	95 928	0	0	0	0
Total	51 905 801	51 259 757	345 967	10 602	7 497	281 980
% of each classification in Total	100.00	98.76	0.67	0.02	0.01	0.54
Percentage share						
Exporting country / Origin	Share in total	% of "S" in total by origin	% of "XD" in total by origin	% of "XM" in total by origin	% of "XDM" in total by origin	% of Unspecified in total by origin
Angola	0.01	46.88	30.08	7.81	0.00	15.23
Brazil	43.03	99.34	0.57	0.00	0.00	0.09
Cameroon	0.94	90.59	0.00	0.00	0.00	9.41
Colombia	17.73	99.98	0.00	0.00	0.00	0.02
Congo, Dem. Rep. of	0.13	74.41	0.89	0.00	0.00	24.70
Costa Rica	2.01	95.11	0.00	0.27	0.00	4.62
Dominican Republic	0.11	100.00	0.00	0.00	0.00	0.00
Ecuador	0.73	76.57	0.00	0.00	0.00	23.43
El Salvador	2.45	95.64	3.13	0.59	0.54	0.10
Ethiopia	4.88	100.00	0.00	0.00	0.00	0.00
Guatemala	6.44	100.00	0.00	0.00	0.00	0.00
Honduras	5.64	98.35	0.86	0.00	0.00	0.79
India	5.93	95.81	4.15	0.00	0.00	0.04
Jamaica	0.03	100.00	0.00	0.00	0.00	0.00
Malawi	0.04	19.22	0.00	0.00	0.00	93.98
Mexico	3.54	100.00	0.00	0.00	0.00	0.00
Nicaragua	2.62	99.93	0.00	0.00	0.05	0.02
Papua New Guinea	1.91	97.77	2.23	0.00	0.00	0.00
Philippines	0.01	99.99	0.00	0.00	0.00	0.00
Rwanda	0.13	96.34	3.66	0.00	0.00	0.00
Tanzania	1.26	99.86	0.00	0.00	0.00	0.14
Togo	0.24	89.86	0.00	0.00	0.00	10.14
Zambia	0.18	100.00	0.00	0.00	0.00	0.00
Total	100.00					

Exports of green Arabica coffee classified in accordance with Resolution number 420

Coffee year 2005/06

Volume (60-kg bags)

Exporting country / Origin	Total exports of green coffee	Full compliance "S"	Below defect target "XD"	Below moisture target "XM"	Below moisture & defect targets "XDM"	Unspecified
Brazil	21 322 483	21 180 332	126 807	0	0	15 344
Burundi	3 678	0	0	0	0	3 678
Cameroon	62 443	52 051	0	0	0	10 392
Colombia	9 205 316	9 203 654	0	0	0	1 662
Congo, Dem. Rep. of	36 510	33 970	0	0	0	2 540
Costa Rica	1 042 832	991 792	0	2 826	0	48 214
Dominican Republic	56 813	56 813	0	0	0	0
Ecuador	151 587	138 573	0	0	0	13 014
El Salvador	1 269 482	1 214 121	39 756	7 476	6 864	1 265
Ethiopia	2 530 796	2 530 796	0	0	0	0
Guatemala	3 328 919	3 328 919	0	0	0	0
Honduras	2 928 560	2 880 186	25 323	0	0	23 052
India	1 056 918	928 743	126 895	0	0	1 280
Jamaica	17 770	17 770	0	0	0	0
Malawi	20 115	3 415	0	0	0	16 700
Mexico	1 796 646	1 796 646	0	0	0	0
Nicaragua	1 362 402	1 361 453	0	0	633	316
Papua New Guinea	989 819	967 628	22 191	0	0	0
Rwanda	61 263	59 023	2 240	0	0	0
Tanzania	448 501	447 901	0	0	0	600
Zambia	95 928	95 928	0	0	0	0
Total	47 788 781	47 289 713	343 212	10 302	7 497	138 057
% in each classification in Total	100.00	98.96	0.72	0.02	0.02	0.29

Exports of green Robusta coffee classified in accordance with Resolution number 420

Coffee year 2005/06

Volume (60-kg bags)

Exporting country / Origin	Total exports of green coffee	Full compliance "S"	Below defect target "XD"	Below moisture target "XM"	Below moisture & defect targets "XDM"	Unspecified
Angola	3 840	1 800	1 155	300	0	585
Brazil	1 011 234	1 006 504	0	0	0	4 730
Cameroon	427 623	391 906	0	0	0	35 718
Congo, Dem. Rep. of	31 018	16 280	600	0	0	14 138
Ecuador	226 741	151 113	0	0	0	75 628
Guatemala	15 112	15 112	0	0	0	0
India	2 022 768	2 021 768	1 000	0	0	0
Mexico	39 572	39 572	0	0	0	0
Papua New Guinea	3 438	3 438	0	0	0	0
Philippines	2 741	2 741	0	0	0	0
Tanzania	206 542	206 232	0	0	0	310
Togo	126 393	113 579	0	0	0	12 813
Total	4 117 022	3 970 045	2 755	300	0	143 922
% in each classification in Total	100.00	96.43	0.07	0.01	0.00	3.50

Quarter (all)	(All)
Grade (0, 3 and 4)	(All)

**Volume of Robusta coffee gradings by LIFFE
by country of origin and by port of discharge
Coffee year 2005/06**

Country of origin	Port of discharge										Grand Total	% share by origin
	Amsterdam	Antwerp	Barcelona	Bremen	Genoa	Hamburg	Le Havre	London	Rotterdam	Trieste		
Brazil	0	15 250	0	0	29 417	0	0	4 000	0	31 917	80 583	5.42
Cameroon	0	7 083	3 250	0	2 333	167	6 583	83	0	2 667	22 167	1.49
Congo, Dem. Rep. of	0	0	0	0	500	0	0	0	0	0	500	0.03
Cote d'Ivoire	15 833	43 000	1 167	0	11 583	167	33 667	0	0	3 083	108 500	7.30
Ghana	0	3 000	0	0	0	0	917	0	0	1 167	5 083	0.34
Guinea	0	28 583	0	0	6 250	6 917	0	0	0	17 917	59 667	4.02
India	0	2 500	0	0	0	1 167	0	0	0	1 333	5 000	0.34
Indonesia	0	667	0	0	0	2 583	0	0	0	1 333	4 583	0.31
Liberia	0	0	0	0	0	83	0	0	0	0	83	0.01
Madagascar	0	19 250	4 417	83	0	1 167	3 500	0	0	0	28 417	1.91
Nigeria	0	333	0	0	0	0	0	0	0	0	333	0.02
Sierra Leone	0	1 667	0	0	0	750	0	0	0	83	2 500	0.17
Tanzania	0	250	333	0	750	333	0	0	0	83	1 750	0.12
Thailand	0	47 833	0	0	0	3 417	0	0	0	0	51 250	3.45
Togo	0	5 583	0	0	250	333	16 667	0	250	3 000	26 083	1.76
Uganda	0	7 917	5 667	0	0	583	0	0	0	583	14 750	0.99
Vietnam	0	613 667	8 583	250	16 500	36 167	5 333	9 250	126 333	258 417	1 074 500	72.32
Grand Total	15 833	796 583	23 417	333	67 583	53 833	66 667	13 333	126 583	321 583	1 485 750	
% share by port	1.07	53.61	1.58	0.02	4.55	3.62	4.49	0.90	8.52	21.64		

**NYBOT: Coffee "C" gradings summary analysis
OCTOBER 2005 TO SEPTEMBER 2006**

Country of origin	Original		Appeals			Total		Pass %
	Pass	Fail	Pass	Fail	Total	Pass	Fail	
Burundi	4	8	7	2	9	11	1	91.67
Colombia	256	85	46	27	73	302	39	88.56
Costa Rica	26	16	7	9	16	33	9	78.57
Dominican Republic	0	0	0	0	0	0	0	-
Ecuador	0	0	0	0	0	0	0	-
Guatemala	119	54	31	22	53	150	23	86.71
Honduras	1 074	822	303	373	676	1 377	519	72.63
India	172	84	38	20	58	210	46	82.03
Kenya	0	0	0	0	0	0	0	-
Mexico	750	435	184	209	393	934	251	78.82
Nicaragua	481	146	84	47	131	565	62	90.11
Peru	591	312	135	135	270	726	177	80.40
Rwanda	26	24	10	3	13	36	16	69.23
El Salvador	437	106	65	26	91	502	45	91.77
Tanzania	0	1	0	0	0	0	1	0.00
Uganda	71	55	8	13	21	77	47	62.10
Venezuela	0	0	0	0	0	0	0	-
Panama	0	0	0	0	0	0	0	-
Papua New Guinea	1	9	0	0	0	1	9	0.00
Total	4 008	2 157	918	886	1 804	4 924	1 245	79.82

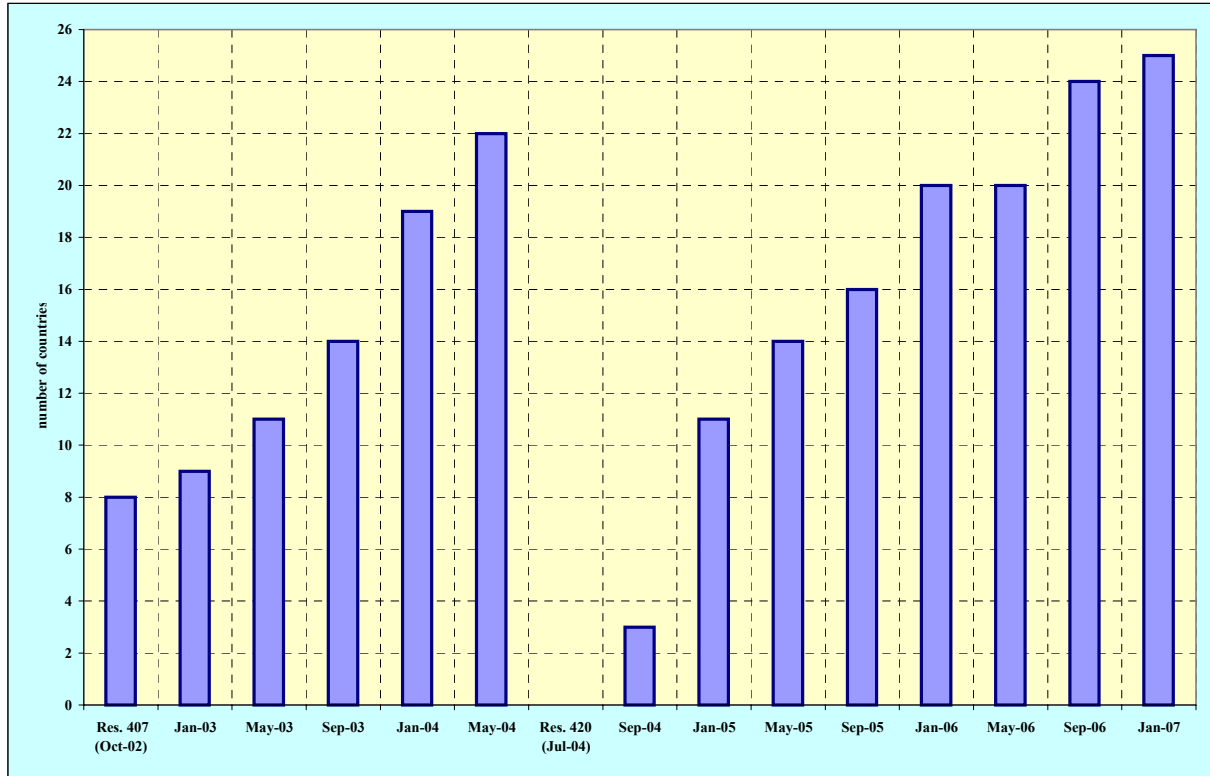
	Original		Appeals					
	Pass	Fail	Total	Pass %	Pass	Fail	Total	Pass %
Grade	5 660	505	6 165	91.81%	1 644	160	1 804	91.13%
Cup	4 464	1 701	6 165	72.41%	1 141	663	1 804	63.25%
Colour	6 006	159	6 165	97.42%	1 769	35	1 804	98.06%

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 01/10/05 and 31/03/06

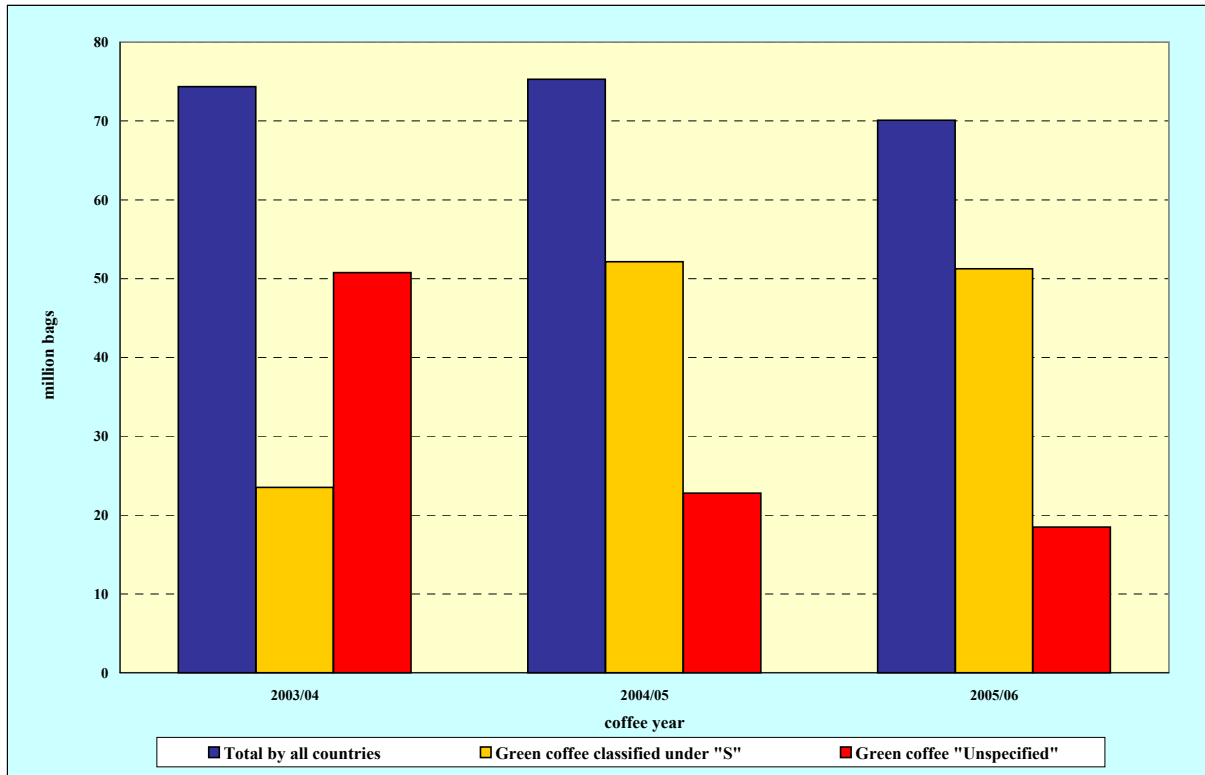
APPEAL GRADING: The owner of the coffee submitted as an original grading may appeal for any decision of the graders, for cup, colour, grade and any other imperfections such as odour and/or bean size and represents appeal gradings between 01/10/05 and 31/06/06 regardless of the date of original grade.

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

Graph 1: Number of countries participating in CQP



Graph 2: Exports of total green coffee compared to those classified under "S" and unspecified in by coffee year



Graph 3: Volume of sub-standard coffee graded by LIFFE

