



Organización Internacional del Café
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Executive Board
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**Progress report on the implementation
of the Coffee Quality-Improvement
Programme (CQP)**

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 the first nine months of coffee year 2005/06 - (October 2005 to June 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 since June 2004 when the Resolution came into effect. The previous report on the CQP is contained in document WP-Board No. 996/06.

Action

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

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 the first nine months of coffee year 2005/06 (October 2005 to June 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. Two years after the implementation of Resolution number 420, 24 exporting Members – Angola, Bolivia, Brazil, Burundi, Cameroon, Colombia, Costa Rica, Democratic Republic of Congo, Dominican Republic, Ecuador, El Salvador, Ethiopia, Guatemala, Honduras, India, Jamaica, Mexico, Nicaragua, Papua New Guinea, Philippines, Rwanda, Tanzania, Togo and Zambia – have systematically informed the Organization of the quality of their green coffee exports since the Resolution was introduced in these countries. Annex I gives details of the exports of all green coffee 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 the progress in participation on the CQP since its initial implementation in October 2002 (Resolution number 407)¹.

3. Annex II gives information on the total volume of green coffee by type exported by those countries in compliance with the provisions of Resolution number 420 in the first nine months of each coffee year, from 2003/04 to 2005/06, and on the volume of green coffee classified in accordance with Resolution number 420 which was exported by all exporting Members based on information extracted from Certificates of Origin. The table also compares this volume with the volume of all green coffee exported in each period – in volume and percentage terms. Graph 2 shows the progress achieved.

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 from October 2005 to June 2006. The volume of coffee graded by LIFFE which was deemed to have failed to comply with the targets of Resolution number 420 in this period amounted to 770,750 bags. Of this total, nearly 55.3% failed the grading analysis in Antwerp and over 88% was produced in Vietnam. This compares with 1.18 million bags that failed

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

gradings in the period October 2004 to June 2005, representing a decrease of nearly 35% in failed gradings from last year. Graph 3 shows some progress since October 2002, in the form of a reduction of coffee graded as sub-standard.

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, from October 2005 to June 2006, over 77% of the coffee graded by NYBOT (82% on the original grading and an additional 18% on appeal) passed the grading analysis – see Annex IV for details.

6. Since Resolution number 420 came into effect in June 2004, 171.6 million bags of green coffee have been exported. The table below shows the aggregate volume of coffee by type (and their equivalent shares) exported by the 24 Members implementing the Resolution. The table also shows the aggregate volume exported by these Members which are in full compliance with the quality standards set by the Resolution since it came into effect:

	60-kg bags	%
Total volume of all green coffee exported since June 2004 by all exporting countries	171 558 433	100.00
Arabica	114 774 614	66.90
Robusta	56 783 819	33.10
Total volume of green coffee exported since June 2004 by the 24 countries implementing Resolution 420	109 706 922	100.00
Arabica	102 247 546	93.20
Robusta	7 459 376	6.80
Total volume of green coffee exported since June 2004 by the 24 countries in full compliance with both moisture and defects targets set out in Resolution 420	98 014 283	100.00
Arabica	91 788 089	93.65
Robusta	6 226 194	6.35

Based on this information, the following conclusions can be made in relation to the 24 countries since the Resolution has been implemented in June 2004:

- **63.95%** of the total green coffee shipped was exported by the 24 countries;
- **89.09%** of all green Arabica coffee shipped was exported by the 24 countries;
- **13.14%** of all green Robusta coffee shipped was exported by the 24 countries;
- **89.34%** of all the green coffee exported was in compliance with the Resolution;
- **89.77%** of all Arabica coffee exported was in compliance with the Resolution;
- **83.47%** of all Robusta coffee exported was in compliance with the Resolution;
- **57.13%** of all green coffee exported since June 2004 was in full compliance with the defects and moisture targets set out in the Resolution;

- **79.97%** of all Arabica coffee exported by the 24 countries since June 2004 was in full compliance with the defects and moisture targets set out in the Resolution;
- **10.96%** of all Robusta coffee exported by the 24 countries since June 2004 was in full compliance with the defects and moisture targets set out in the Resolution.

7. From October 2005 to June 2006, the volume of green coffee exported by the 24 Members implementing the Resolution amounted to 38.52 million bags of which over 35.88 million bags were Arabica (just over 93%) and nearly 2.65 million bags were Robusta (nearly 7%). Of the total, 38.03 million bags were in full compliance with the defects and moisture targets set out in the Resolution (nearly 99%), of which 35.51 million bags were Arabica and 2.51 million bags were Robusta.

8. Nearly 11% of the Robusta coffee exported since June 2004 was in full compliance with Resolution number 420. Therefore, 89% of the Robusta coffee exported was unspecified or below the quality standards set out in the Resolution. On the other hand, the volume of green Arabica coffee in full compliance with the defects and moisture targets set out in the Resolution amounted to nearly 80% of the total Arabica coffee exported in the period.

9. The figures for Robusta coffee continue to cause some concern. 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

October 2005 to June 2006

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	15 944 177	15 797 296	126 807	0	0	20 074
Cameroon	323 622	288 557	0	0	0	35 065
Colombia	7 452 958	7 452 958	0	0	0	0
Congo, Dem. Rep. of	67 528	50 250	600	0	0	16 678
Costa Rica	720 124	718 100	0	1 725	0	299
Dominican Republic	42 085	42 085	0	0	0	0
Ecuador	256 454	167 811	0	0	0	88 643
El Salvador	1 003 366	974 530	21 390	2 215	3 966	1 265
Ethiopia	1 967 390	1 967 390	0	0	0	0
Guatemala	2 485 246	2 485 246	0	0	0	0
Honduras	2 387 983	2 339 608	25 323	0	0	23 052
India	2 223 134	2 128 339	93 515	0	0	1 280
Jamaica	11 697	11 697	0	0	0	0
Mexico	1 391 451	1 391 451	0	0	0	0
Nicaragua	746 657	746 341	0	0	0	316
Papua New Guinea	700 864	679 773	21 091	0	0	0
Philippines	2 198	600	0	0	0	1 598
Rwanda	9 418	7 818	1 600	0	0	0
Tanzania	610 542	609 632	0	0	0	910
Togo	87 692	79 595	0	0	0	8 097
Zambia	84 316	84 316	0	0	0	0
Total	38 522 742	38 025 193	291 481	4 240	3 966	197 862
% of each classification in Total	100.00	98.71	0.76	0.01	0.01	0.51
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	41.39	99.08	0.80	0.00	0.00	0.13
Cameroon	0.84	89.16	0.00	0.00	0.00	10.84
Colombia	19.35	100.00	0.00	0.00	0.00	0.00
Congo, Dem. Rep. of	0.18	74.41	0.89	0.00	0.00	24.70
Costa Rica	1.87	99.72	0.00	0.24	0.00	0.04
Dominican Republic	0.11	100.00	0.00	0.00	0.00	0.00
Ecuador	0.67	65.44	0.00	0.00	0.00	34.56
El Salvador	2.60	97.13	2.13	0.22	0.40	0.13
Ethiopia	5.11	100.00	0.00	0.00	0.00	0.00
Guatemala	6.45	100.00	0.00	0.00	0.00	0.00
Honduras	6.20	97.97	1.06	0.00	0.00	0.97
India	5.77	95.74	4.21	0.00	0.00	0.06
Jamaica	0.03	100.00	0.00	0.00	0.00	0.00
Mexico	3.61	100.00	0.00	0.00	0.00	0.00
Nicaragua	1.94	99.96	0.00	0.00	0.00	0.04
Papua New Guinea	1.82	96.99	3.01	0.00	0.00	0.00
Philippines	0.01	27.30	0.00	0.00	0.00	72.70
Rwanda	0.02	83.01	16.99	0.00	0.00	0.00
Tanzania	1.58	99.85	0.00	0.00	0.00	0.15
Togo	0.23	90.77	0.00	0.00	0.00	9.23
Zambia	0.22	100.00	0.00	0.00	0.00	0.00
Total	100.00					

Exports of all GREEN coffee

Period	Total volume exported by all countries	Total volume exported covered by Certificates of Origin	Total volume in full compliance ("S")	Total volume below defect limits ("XD")	Total volume below moisture limits ("XM")	Total volume below defect and moisture limits ("XDM")	Total volume unspecified
(million bags)							
Oct-03 to Jun-04	62.80	56.99	17.65	0.00	0.00	0.00	39.33
Oct-04 to June-05	64.45	57.66	41.05	0.23	0.01	0.00	16.38
Oct-05 to Jun-06	58.81	49.08	37.48	0.29	0.00	0.00	11.30
(percentage)							
Oct-03 to Jun-04	90.75	100.00	30.97	0.01	0.00	0.00	69.02
Oct-04 to June-05	89.47	100.00	71.18	0.39	0.02	0.00	28.41
Oct-05 to Jun-06	83.45	100.00	76.38	0.58	0.00	0.01	23.03

Exports of green Arabica

Period	Total volume exported by all countries	Total volume exported covered by Certificates of Origin	Total volume in full compliance ("S")	Total volume below defect limits ("XD")	Total volume below moisture limits ("XM")	Total volume below defect and moisture limits ("XDM")	Total volume unspecified
(million bags)							
Oct-03 to Jun-04	41.08	38.99	16.46	0.00	0.00	0.00	22.53
Oct-04 to June-05	44.15	41.21	38.69	0.28	0.01	0.00	2.22
Oct-05 to Jun-06	39.90	37.11	35.51	0.29	0.00	0.00	1.30
(percentage)							
Oct-03 to Jun-04	94.92	100.00	42.21	0.01	0.00	0.00	57.78
Oct-04 to June-05	93.33	100.00	93.89	0.69	0.02	0.00	5.40
Oct-05 to Jun-06	93.00	100.00	95.70	0.78	0.01	0.01	3.50

Exports of green Robusta

Period	Total volume exported by all countries	Total volume exported covered by Certificates of Origin	Total volume in full compliance ("S")	Total volume below defect limits ("XD")	Total volume below moisture limits ("XM")	Total volume below defect and moisture limits ("XDM")	Total volume unspecified
(million bags)							
Oct-03 to Jun-04	21.72	18.00	0.62	0.00	0.00	0.00	17.38
Oct-04 to June-05	20.30	16.47	2.29	0.00	0.00	0.00	14.17
Oct-05 to Jun-06	18.91	16.16	2.51	0.00	0.00	0.00	13.64
(percentage)							
Oct-03 to Jun-04	82.87	100.00	3.42	0.00	0.00	0.00	96.58
Oct-04 to June-05	81.10	100.00	13.91	0.01	0.00	0.00	86.08
Oct-05 to Jun-06	85.43	100.00	15.54	0.02	0.00	0.00	84.44

LIFFE ROBUSTA GRADINGS

Grades: 0, 3 and 4 - by country of origin and by port of discharge

Oct-02 to Jun-03	Port of destination										Grand Total	% share by origin
Country of Origin	Antwerp	Barcelona	Bremen	Felixtowe	Genoa	Hamburg	Le Havre	Marseilles	Rotterdam	Trieste		
Brazil	116 167	1 583	0	1 583	47 667	0	250	0	0	1 833	169 083	17.06
Cameroon	0	0	0	0	0	0	0	167	0	0	167	0.02
Central Afr. Republic	83	0	0	0	0	0	0	0	0	0	83	0.01
Congo, Dem. Rep. of	417	0	0	0	0	250	0	0	0	0	667	0.07
Cote d'Ivoire	1 000	0	0	0	0	83	0	667	0	0	1 750	0.18
Ghana	9 667	0	0	0	0	0	0	0	0	1 250	10 917	1.10
Guinea	25 917	0	0	0	17 833	1 583	0	0	0	0	45 333	4.57
India	167	0	0	0	0	83	0	0	0	0	250	0.03
Indonesia	17 750	0	0	0	0	83	0	0	0	0	17 833	1.80
Liberia	0	0	0	0	0	3 833	0	0	0	0	3 833	0.39
Madagascar	5 667	250	0	0	0	0	0	0	0	0	5 917	0.60
Nigeria	83	0	0	0	0	0	0	0	0	0	83	0.01
Sierra Leone	0	0	0	0	0	2 083	0	0	0	0	2 083	0.21
Tanzania	4 667	0	0	0	0	0	0	0	0	0	4 667	0.47
Thailand	5 750	0	0	0	0	4 583	0	0	0	0	10 333	1.04
Vietnam	653 333	583	1 250	0	0	49 083	0	1 333	3 167	9 333	718 083	72.45
Grand Total	840 667	2 417	1 250	1 583	65 500	61 667	250	2 167	3 167	12 417	991 083	
% share by port	84.82	0.24	0.13	0.16	6.61	6.22	0.03	0.22	0.32	1.25		

Oct-03 to Jun-04	Port of destination										Grand Total	% share by origin
Country of Origin	Antwerp	Barcelona	Bremen	Genoa	Hamburg	Le Havre	London	Marseilles	Rotterdam	Trieste		
Brazil	28 750	0	0	1 250	0	0	0	0	0	250	30 250	1.80
Cameroon	3 167	1 417	0	0	0	2 417	0	0	0	1 167	8 167	0.49
Congo, Dem. Rep. of	1 167	0	0	0	0	250	0	0	0	833	2 250	0.13
Cote d'Ivoire	223 167	0	0	4 167	7 750	8 583	0	33 333	0	20 500	297 500	17.70
Ghana	4 000	0	0	0	0	0	0	0	0	0	4 000	0.24
Guinea	35 083	0	0	333	0	0	0	0	0	0	35 417	2.11
India	0	0	0	0	0	0	83	0	0	0	83	0.00
Indonesia	22 417	583	0	0	8 333	0	0	0	0	0	31 333	1.86
Madagascar	11 750	1 333	0	0	0	83	0	417	0	83	13 667	0.81
Nigeria	917	0	0	0	0	0	0	0	0	0	917	0.05
Thailand	7 667	0	0	0	19 250	0	0	0	0	0	26 917	1.60
Togo	3 167	0	0	0	0	0	0	0	0	0	3 167	0.19
Uganda	4 917	0	0	0	0	0	0	0	0	0	4 917	0.29
Vietnam	1 045 667	4 750	7 333	1 000	42 917	9 667	4 000	0	97 083	9 583	1 222 000	72.71
Grand Total	1 391 833	8 083	7 333	6 750	78 250	21 000	4 083	33 750	97 083	32 417	1 680 583	
% share by port	82.82	0.48	0.44	0.40	4.66	1.25	0.24	2.01	5.78	1.93		

LIFFE ROBUSTA GRADINGS

Grades: 0, 3 and 4 - by country of origin and by port of discharge

Oct-04 to Jun-05	Port of destination								Grand Total	% share by origin
Country of Origin	Antwerp	Felixtowe	Genoa	Hamburg	Le Havre	London	Rotterdam	Trieste		
Brazil	1 750	333	0	0	0	0	0	0	2 083	0.18
Cote d'Ivoire	0	0	0	83	0	0	0	0	83	0.01
Ghana	4 750	0	0	0	0	500	0	1 250	6 500	0.55
Guinea	42 917	0	0	0	1 167	0	0	0	44 083	3.72
India	0	0	0	0	0	250	0	0	250	0.02
Indonesia	24 000	0	7 250	0	0	417	0	0	31 667	2.67
Madagascar	333	0	0	0	0	0	0	0	333	0.03
Nigeria	917	0	0	0	0	0	0	0	917	0.08
Sierra Leone	0	0	0	0	0	0	0	83	83	0.01
Thailand	12 250	0	0	21 583	0	0	0	0	33 833	2.86
Vietnam	941 083	0	0	13 167	0	0	2 500	107 667	1 064 417	89.88
Grand Total	1 028 000	333	7 250	34 833	1 167	1 167	2 500	109 000	1 184 250	
% share by port	86.81	0.03	0.61	2.94	0.10	0.10	0.21	9.20		

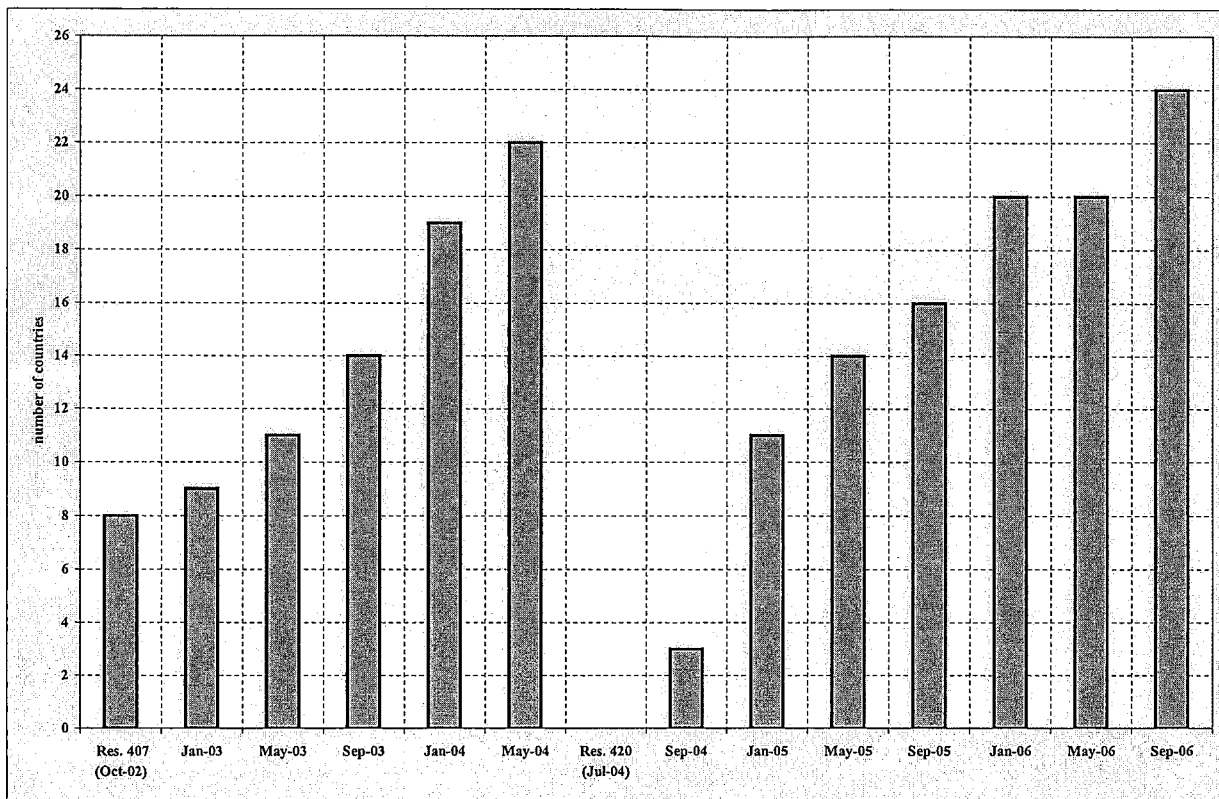
Oct-05 to Jun-06	Port of destination							Grand Total	% share by origin
Country of Origin	Antwerp	Genoa	Hamburg	Le Havre	London	Rotterdam	Trieste		
Brazil	4 000	8 417	0	0	3 667	0	23 583	39 667	5.15
Ghana	1 500	0	0	0	0	0	1 167	2 667	0.35
Guinea	9 583	6 250	667	0	0	0	17 917	34 417	4.47
Indonesia	0	0	2 667	0	0	0	0	2 667	0.35
Madagascar	83	0	0	83	0	0	0	167	0.02
Nigeria	167	0	0	0	0	0	0	167	0.02
Sierra Leone	167	0	417	0	0	0	83	667	0.09
Thailand	9 000	0	0	0	0	0	0	9 000	1.17
Vietnam	401 833	0	17 750	3 417	8 750	95 417	154 167	681 333	88.40
Grand Total	426 333	14 667	21 500	3 500	12 417	95 417	196 917	770 750	
% share by port	55.31	1.90	2.79	0.45	1.61	12.38	25.55		

**NYBOT: Coffee "C" gradings summary analysis
October 2005 to June 2006**

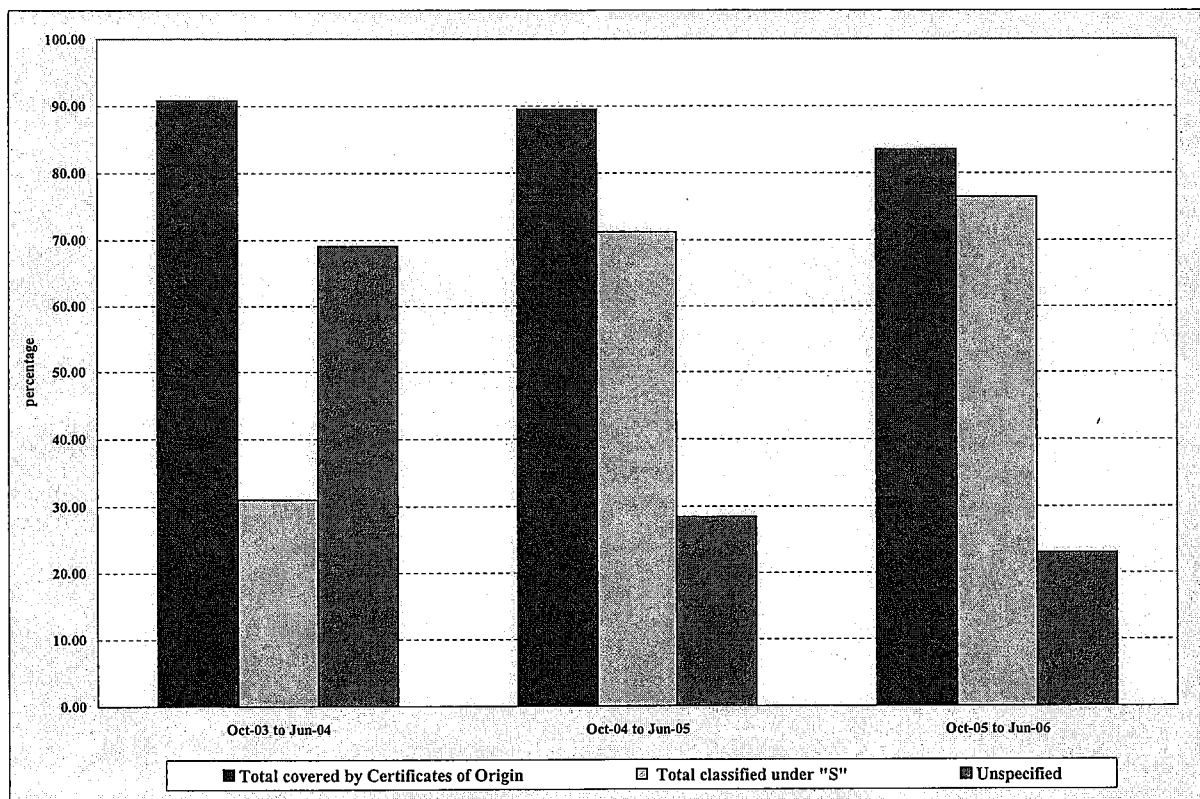
	Original			Appeals				Total		Pass %
	Pass	Fail		Pass	Fail	Total		Pass	Fail	
Burundi	3	8		6	2	8		9	0	100.00
Colombia	188	55		38	13	51		226	15	93.78
Costa Rica	18	8		2	4	6		20	6	76.92
Guatemala	107	44		25	18	43		132	22	85.71
Honduras	487	351		109	146	255		596	299	66.59
India	90	50		20	8	28		110	40	73.33
Mexico	334	173		81	60	141		415	108	79.35
Nicaragua	304	82		41	20	61		345	50	87.34
Peru	173	113		50	52	102		223	98	69.47
Rwanda	23	24		10	3	13		33	12	73.33
El Salvador	217	53		38	8	46		255	19	93.07
Tanzania	0	1		0	0	0		0	20	0.00
Uganda	46	36		3	8	11		49	20	71.01
Papua New Guinea	1	9		0	0	0		1	5	16.67
Total	1 991	1 007		423	342	765		2 414	714	77.17

	Original					Appeals			
	Pass	Fail	Total	Pass %		Pass	Fail	Total	Pass %
Grade	2 775	223	2 998	92.56%		696	69	765	90.98%
Cup	2 210	788	2 998	73.72%		529	236	765	69.15%
Colour	2 925	73	2 998	97.57%		751	14	765	98.17%

Graph 1: Number of countries participating in CQP



Graph 2: Percentage of coffee in compliance with Resolution 420 on total volume exported in the period



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

