



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

Background

1. Exporting and importing Members have continued their commitment to improving quality through the Coffee Quality-Improvement Programme (CQP) which was adopted in its current form when Resolution number 420 was approved by the Council in May 2004. The CQP targets the promotion of quality as a means to enhance sustainability of the coffee economy by increasing consumption, by adding value and providing consumer satisfaction (see document ICC-90-9).
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 presents a summary for the first six months of coffee year 2005/06 – (October 2005 to March 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. The previous report on the CQP is contained in document WP-Board No. 989/06.

Action

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

1. Since May 2004, following the adoption of Resolution number 420 by the Council, exporting Members have been requested, on a voluntary basis, to provide 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 six months of coffee year 2005/06 – which may vary from country to country in accordance with the data received.

2. Since June 2004, twenty exporting Members have so far availed themselves of the opportunity to fully implement Resolution number 420. These Members are: Angola, Bolivia, Brazil, Colombia, Costa Rica, Democratic Republic of Congo, Dominican Republic, Ecuador, El Salvador, Ethiopia, Guatemala, Honduras, India, Mexico, Nicaragua, Papua New Guinea, Philippines, Rwanda, Tanzania and Togo. Annex I gives details of the exports of all green coffee complying with the provisions of Resolution number 420. It should be noted that in the period covered by this report, data may not have been received from all the exporting Members listed.

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 six months of coffee year 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 gives 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 March 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 708,250 bags. Of this total, nearly 53% failed the grading analysis in Antwerp and nearly 88% was produced in Vietnam. This volume compares with 595,833 bags graded in the period October 2004 to March 2005 which represents an increase of nearly 19%.

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 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 March 2006, over 83% of the coffee graded by NYBOT (68% on the original grading and an additional 15% on appeal) passed the grading analysis – see Annex IV for details.

6. Since Resolution number 420 came into effect in June 2004, 153.03 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 20 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 in the 22 months since it came into effect.

	60-kg bags	%
Total volume of coffee exported since June 2004 by the 20 countries implementing Resolution 420	91 069 204	100.00
Arabica	85 392 338	93.77
Robusta	5 676 866	6.23
Total volume of coffee exported since June 2004 by the 20 countries in full compliance with the quality standards set in Resolution 420	80 562 839	100.00
Arabica	75 899 411	94.21
Robusta	4 663 428	5.79

7. From October 2005 to March 2006, the volume of coffee exported by the 20 Members implementing the Resolution amounted to 27.98 million bags of which over 20.12 million bags were Arabica (72%) and nearly 7.86 million bags were Robusta (28%). The volume of coffee exported by the 20 exporting Members in full compliance with the Resolution represented just under 70% of the total volume exported in the period (40.49 million bags).

8. The volume of Robusta green coffee exported in the period covered by this report still indicates that just over 16% of the Robusta coffee exported by the 20 Members is in full compliance with Resolution 420. Nearly 84% of the Robusta coffee exported was unspecified in terms of its quality standards, of which just under 94% was exported from Vietnam. On the other hand, the volume of green Arabica coffee in full compliance with the Resolution amounted to over 97% of the total Arabica coffee exported in the period.

9. The figures concerning Robusta exports 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 March 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	1 455	300	1 155	0	0	0
Brazil	10 731 505	10 590 754	119 607	0	0	21 144
Cameroon	119 794	0	0	0	0	119 794
Colombia	2 758 964	2 758 964	0	0	0	0
Congo, Dem. Rep. of	6 720	6 720	0	0	0	0
Costa Rica	215 284	214 996	0	0	0	288
Cuba	8 100	0	0	0	0	8 100
Dominican Republic	21 375	21 375	0	0	0	0
Ecuador	189 791	115 064	0	0	0	74 727
El Salvador	510 657	496 070	9 752	1 904	2 931	0
Ethiopia	750 970	750 970	0	0	0	0
Guatemala	1 277 765	1 277 765	0	0	0	0
Honduras	1 315 316	1 297 060	18 256	0	0	0
India	1 184 656	1 138 006	46 650	0	0	0
Jamaica	2 494	0	0	0	0	2 494
Kenya	84 192	0	0	0	0	84 192
Malawi	14 908	0	0	0	0	14 908
Mexico	710 574	710 574	0	0	0	0
Nicaragua	561 213	560 897	0	0	0	316
Papua New Guinea	461 099	444 068	17 031	0	0	0
Philippines	617	600	0	0	0	17
Rwanda	9 418	7 818	1 600	0	0	0
Tanzania	461 346	460 436	0	0	0	910
Togo	51 485	43 388	0	0	0	8 097
Uganda	284 283	0	0	0	0	284 283
Vietnam	6 174 825	0	0	0	0	6 174 825
Zambia	76 197	0	0	0	0	76 197
Total	27 985 003	20 895 825	214 051	1 904	2 931	6 870 292
% of each classification in Total	100.00	74.67	0.76	0.01	0.01	24.55
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	20.62	79.38	0.00	0.00	0.00
Brazil	38.35	98.69	1.11	0.00	0.00	0.20
Cameroon	0.43	0.00	0.00	0.00	0.00	100.00
Colombia	9.86	100.00	0.00	0.00	0.00	0.00
Congo, Dem. Rep. of	0.02	100.00	0.00	0.00	0.00	0.00
Costa Rica	0.77	99.87	0.00	0.00	0.00	0.13
Cuba	0.03	0.00	0.00	0.00	0.00	100.00
Dominican Republic	0.08	100.00	0.00	0.00	0.00	0.00
Ecuador	0.68	60.63	0.00	0.00	0.00	39.37
El Salvador	1.82	97.14	1.91	0.37	0.57	0.00
Ethiopia	2.68	100.00	0.00	0.00	0.00	0.00
Guatemala	4.57	100.00	0.00	0.00	0.00	0.00
Honduras	4.70	98.61	1.39	0.00	0.00	0.00
India	4.23	96.06	3.94	0.00	0.00	0.00
Jamaica	0.01	0.00	0.00	0.00	0.00	100.00
Kenya	0.30	0.00	0.00	0.00	0.00	100.00
Malawi	0.05	0.00	0.00	0.00	0.00	100.00
Mexico	2.54	100.00	0.00	0.00	0.00	0.00
Nicaragua	2.01	99.94	0.00	0.00	0.00	0.06
Papua New Guinea	1.65	96.31	3.69	0.00	0.00	0.00
Philippines	0.00	97.24	0.00	0.00	0.00	2.76
Rwanda	0.03	83.01	16.99	0.00	0.00	0.00
Tanzania	1.65	99.80	0.00	0.00	0.00	0.20
Togo	0.18	84.27	0.00	0.00	0.00	15.73
Uganda	1.02	0.00	0.00	0.00	0.00	100.00
Vietnam	22.06	0.00	0.00	0.00	0.00	100.00
Zambia	0.27	0.00	0.00	0.00	0.00	100.00
Total	100.00					

Exports of green Arabica coffee classified in accordance with Resolution number 420
October 2005 to March 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
Brazil	10 403 695	10 267 674	119 607	0	0	16 414
Cameroon	1 784	0	0	0	0	1 784
Colombia	2 758 964	2 758 964	0	0	0	0
Congo, Dem. Rep. of	6 400	6 400	0	0	0	0
Costa Rica	215 284	214 996	0	0	0	288
Cuba	8 100	0	0	0	0	8 100
Dominican Republic	21 375	21 375	0	0	0	0
Ecuador	71 408	60 608	0	0	0	10 800
El Salvador	510 657	496 070	9 752	1 904	2 931	0
Ethiopia	750 970	750 970	0	0	0	0
Guatemala	1 270 824	1 270 824	0	0	0	0
Honduras	1 315 316	1 297 060	18 256	0	0	0
India	507 770	461 870	45 900	0	0	0
Jamaica	2 494	0	0	0	0	2 494
Kenya	84 192	0	0	0	0	84 192
Malawi	14 908	0	0	0	0	14 908
Mexico	690 956	690 956	0	0	0	0
Nicaragua	561 213	560 897	0	0	0	316
Papua New Guinea	458 618	441 587	17 031	0	0	0
Philippines	17	0	0	0	0	17
Rwanda	9 418	7 818	1 600	0	0	0
Tanzania	304 613	304 013	0	0	0	600
Uganda	77 381	0	0	0	0	77 381
Zambia	76 197	0	0	0	0	76 197
Total	20 122 554	19 612 082	212 146	1 904	2 931	293 491
% in each classification in Total	100.00	97.46	1.05	0.01	0.01	1.46

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

Coffee year 2004/05

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	1 455	300	1 155	0	0	0
Brazil	327 810	323 080	0	0	0	4 730
Cameroon	118 009	0	0	0	0	118 009
Congo, Dem. Rep. of	320	320	0	0	0	0
Ecuador	118 383	54 456	0	0	0	63 927
Guatemala	6 940	6 940	0	0	0	0
India	676 887	676 137	750	0	0	0
Mexico	19 618	19 618	0	0	0	0
Papua New Guinea	2 482	2 482	0	0	0	0
Philippines	600	600	0	0	0	0
Tanzania	156 733	156 423	0	0	0	310
Togo	51 485	43 388	0	0	0	8 097
Uganda	206 902	0	0	0	0	206 902
Vietnam	6 174 825	0	0	0	0	6 174 825
Total	7 862 449	1 283 744	1 905	0	0	6 576 800
% in each classification in Total	100.00	16.33	0.02	0.00	0.00	83.65

Volume of LIFFE Robusta gradings - October 2005 to March 2006
 (deemed to fall below the target standards of Resolution No. 420) - (60-kg bags)

Grade	(All)	Sum of volume port									
Origin	Antwerp	Genoa	Hamburg	London	Rotterdam	Trieste	Grand Total	% of origin in Total			
Brazil	4 000	8 333	0	3 667	0	23 583	39 583	5.59			
Ghana	1 500	0	0	0	0	0	1 500	0.21			
Guinea	8 417	6 250	0	0	0	0	14 667	2.07			
Guinea	0	0	0	0	0	17 917	17 917	2.53			
Indonesia	0	0	2 667	0	0	0	2 667	0.38			
Madagascar	83	0	0	0	0	0	83	0.01			
Nigeria	167	0	0	0	0	0	167	0.02			
Sierra Leone	167	0	0	0	0	83	250	0.04			
Thailand	9 000	0	0	0	0	0	9 000	1.27			
Vietnam	351 000	0	17 750	8 750	95 417	149 500	622 417	87.88			
Grand Total	374 333	14 583	20 417	12 417	95 417	191 083	708 250				
% of port in Total	52.85	2.06	2.88	1.75	13.47	26.98					

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

Country of origin	Original		Appeals			Total		Pass %
	Pass	Fail	Pass	Fail	Total	Pass	Fail	
Burundi	0	3	3	2	5	3	2	60.00
Colombia	156	48	30	12	42	186	18	91.18
Costa Rica	1	1	1	0	1	2	0	100.00
Dominican Republic								
Ecuador								
Guatemala	84	35	19	15	34	103	16	86.55
Honduras	211	103	36	34	70	247	67	78.66
India	11	12	7	2	9	18	5	78.26
Kenya								
Mexico	139	80	46	30	76	185	34	84.47
Nicaragua	122	22	11	6	17	133	11	92.36
Peru	123	60	33	21	54	156	27	85.25
Rwanda	23	11	10	3	13	33	5	86.84
El Salvador	40	17	10	1	11	50	11	81.97
Tanzania	0	1	0	0	0	0	1	0.00
Uganda	29	32	2	6	8	31	30	50.82
Venezuela								
Panama								
Papua New Guinea	0	4	0	0	0	0	4	0.00
Total	939	429	208	132	340	1 147	231	83.24

Grade	Original				Appeals			
	Pass	Fail	Total	Pass %	Pass	Fail	Total	Pass %
Grade	1 246	122	1 368	91.08%	305	35	340	89.71%
Cup	1 071	297	1 368	78.29%	257	83	340	75.59%
Colour	1 325	43	1 368	96.86%	327	13	340	96.18%

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