



Organización Internacional del Café
Organizaçao Internacional do Café
Organisation Internationale du Café

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Quality Committee
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London, England

**Progress report on the implementation
of the Coffee Quality-Improvement
Programme (CQP)**

Background

1. In the statement adopted by the Council at its 90th Session in May 2004, the Council reiterated its commitment to pursuing a Coffee Quality-Improvement Programme (CQP) in order to promote quality as a means to enhance sustainability of the coffee economy, to increase consumption, to add value and to provide consumer satisfaction (see document ICC-90-9).
2. Resolution number 420, which was adopted at the same Council session, provides that from 1 June 2004 ICO Certificates of Origin issued by exporting Members should contain an indication of compliance with quality standards in Box 17 (see Resolution number 420).
3. This document presents the latest figures for the London International Financial Futures and Options Exchange (LIFFE) monitoring Robusta gradings, and also provides information on progress in implementing the Coffee Quality-Improvement Programme (CQP) under the provisions of Resolutions numbers 407 and 420 in exporting Member countries. The previous report on the CQP was contained in document WP-Quality No. 56/04.

Action

The Quality Committee is requested to take note of this report.

1. Following the adoption of Resolution number 420 by the Council in May 2004, the Executive Director issued document ED-1918/04 requesting exporting Members to comply with the provisions of the Resolution. As compliance with the provisions of the Resolution is voluntary, the information on quality received from exporting Members could be monitored for coffee shipments that took place from 1 June 2004. Clearly, in view of the short time between the adoption of the Resolution and 1 June, it is expected that some months may be needed before many Members implement the important opportunity provided to identify shipments as attaining the ICO target quality standards.

2. Data extracted from Certificates of Origin issued to cover coffee shipped from June 2004 received by the Organization – in electronic format or physical documentation – indicate that only three exporting Members have so far fully implemented Resolution number 420. These Members are: Brazil, Ethiopia and Nicaragua. Two additional exporting Members, namely, El Salvador and Colombia have informed the Organization that their compliance with Resolution number 420 will be effective from July and August 2004, respectively. Data extracted from Certificates of Origin issued to cover exports by one port in Tanzania also comply with the Resolution. The authorities in this country have been requested to include the missing information on quality for all ports where coffee is shipped from.

3. The Organization continues to monitor the daily gradings for Robusta coffee carried out by LIFFE at most European ports. Discussions have also been held with a team of experts from the New York Board of Trade (NYBOT) to ascertain whether it would be possible for a similar exercise be undertaken by the NYBOT with respect to the “C” Contract.

4. Historically, LIFFE started posting their gradings results on its Website from April 2001. Therefore data are not available for the first quarter of that year. The Organization has monitored data from October 2002, when the Coffee Quality-Improvement Programme (CQP) was introduced under Resolution number 407. The following table shows historical information for volumes graded by LIFFE from the last quarter of 2002 to date by grade. In particular total gradings are compared with coffees classified by LIFFE under types 3, 4 and untenderable in accordance with their grading system. These grades are below the ICO target standards.

**VOLUME OF BAGS GRADED BY LIFFE BY QUARTER
OCT-DEC 2002 TO JUL-SEP 2004**

	(60kg bags)							
	2002 Oct-Dec	2003 Jan-Mar	2003 Apr-Jun	2003 Jul-Sep	2003 Oct-Dec	2004 Jan-Mar	2004 Apr-Jun	2004 Jul-Aug
<i>Grades below target standards in Resolution number 420</i>								
Non-tenderable	61,000	58,250	70,500	264,333	48,833	207,667	244,667	338,333
Grade 3	381,333	254,416	144,833	220,250	159,833	453,333	435,000	674,917
Grade 4	6,333	3,250	11,167	22,667	5,667	72,250	53,333	35,917
Sub-total	448,666	315,916	226,500	507,250	214,333	733,250	733,000	1,049,167
<i>Grades complying with Resolution number 420</i>								
Grade 1	13,833	29,917	14,083	1,667	917	8,667	13,083	9,333
Grade 2	623,583	162,917	174,083	219,750	182,167	338,667	211,667	105,000
Sub-total	637,416	192,834	188,166	221,417	183,084	347,334	224,750	114,333
Grand total	1,086,082	508,750	414,666	728,667	397,417	1,080,584	957,750	1,163,500

5. The total volume of bags graded below ICO target standards in July and August 2004 amounted to 1,049,167 bags.

6. The Organization will continue to monitor LIFFE gradings as well as compliance with Resolution number 420 by exporting Members. In addition, a reply to the request to NYBOT for similar information is expected shortly. A progress report on these matters will be issued for the next meeting of the Quality Committee.