Executive Board
272nd Meeting
21 September 2010
London, England

Gradings results for Arabica and Robusta coffees
October 2009 to June 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 coffee from October 2009 to June 2010.


Action

The Executive Board is requested to take note of this report.
1. In the first nine months of coffee year 2009/10 – October 2009 to June 2010, 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.

**Gradings results for Arabica coffee**

2. Regular reports on the Coffee ‘C’ contract gradings analysis posted on the ICE website show the monthly summary and year-to-date data on the pass/fail results by origin. Based on these reports, over 88% of the coffee graded by ICE passed the original gradings analysis in the first nine months of coffee year 2009/10. The original analysis on grade, cup and colour quality achieved ‘pass’ levels over 93%, 84% and 91%, respectively.

3. From October 2009 to June 2010, El Salvador, Honduras, Mexico and Peru together accounted for a total of 1,928 lots that passed the original gradings. These origins accounted for over 88% of the approved graded coffee.

4. Graph 1 below shows the percentage pass in the original gradings for colour, grade and cup analysis in the nine months (October to June) from 2006/07 to 2009/10. The percentage pass for the colour analysis has dropped slightly in the last year whereas the cup analysis increased from 72% in 2006/07 to 84% in 2009/10. The grade analysis went up from 84% in 2008/09 to nearly 94% in 2009/10.

**Graph 1**

*Colour, cup and grade analysis results by ICE*
Gradings results for Robusta coffee

5. From October 2009 to June 2010, the total volume of coffee graded by the NYSE Euronext amounted to 124,000 bags – a fall of 97.5% in comparison with the total volume graded from October 2008 to June 2009. Of the total 124,000 bags graded in the first nine months of coffee year 2009/10, 30,167 bags (24.3%) are deemed to have fallen below the target standards set out in Resolution 420.

6. The volume of the coffee that is deemed to have failed the CQP standards in the first nine months of coffee year 2009/10 originated mainly from Togo (78.5%). The 30,167 bags that were deemed to fail to comply with the target standards set out in Resolution 420 were located mainly in Antwerp (87.3%).

7. The volume of 30,167 bags considered to have failed the CQP standards from October 2009 to June 2010 represents a decrease of 98.6% compared to the volume that failed in the same period in 2008/09, when 2.16 million bags failed the NYSE Euronext gradings standards. It also represents decreases of 98.3% compared to that of the first nine months in coffee year 2007/08 and of 96.9% compared with that of 2006/07. Graph 2 below shows the evolution of the gradings results by NYSE Euronext from October to June 2006/07.

Graph 2
Gradings results by NYSE Euronext
Deemed to be below CQP standards
8. From October 2009 to June 2010, a total of 5,333 bags have been classified as Premium class coffee, of which 1,833 bags – equivalent to 34.4% – are from Côte d’Ivoire, and 1,500 bags (28.1%) from Cameroon. The other origins which have also had some coffee under this classification include Indonesia, Togo and Vietnam – see Graph 3 below.

Graph 3
Premium class coffee by origin
October 2009 to June 2010

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