



International Coffee Organization
Organización Internacional del Café
Organização Internacional do Café
Organisation Internationale du Café

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**Progress report on the implementation
of the Coffee Quality-Improvement
Programme (CQP)
Coffee year 2006/07**

Background

1. One of the main objectives of the Coffee Quality-Improvement Programme (CQP) is the promotion of quality as a means to enhance sustainability of the coffee economy. Exporting and importing Members have continued their commitment to improving quality through the CQP which was adopted in its current form when Resolution 420 was approved by the Council in May 2004.
2. Resolution 420 requests exporting Members, on a voluntary basis, 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 is based on the information extracted from Certificates of Origin issued during coffee year 2006/07 (October 2006 to September 2007), from the London International Financial Futures and Options Exchange (LIFFE) Robusta gradings and from the Inter-Continental Exchange (ICE) Coffee Futures "C" Contract Gradings. It also contains information on progress on implementing the CQP in exporting Member countries in the same period based on data extracted from Certificates of Origin since June 2004 when Resolution 420 came into effect. The previous report on the CQP is contained in document EB-3936/07.

Action

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

**PROGRESS REPORT ON THE IMPLEMENTATION OF THE
COFFEE QUALITY-IMPROVEMENT PROGRAMME (CQP)
OCTOBER 2006 – SEPTEMBER 2007**

1. There are now 28 exporting Members providing information on the quality of the coffee they export, through Certificates of Origin, since Resolution 420 was approved in June 2004. These 28 exporting Members accounted for nearly 68% of world exports in 2006/07.

2. From October 2006 to September 2007, the volume of green coffee exported by the 28 Members providing the information on the quality of their coffee exports amounted to nearly 61 million bags, of which over 56 million bags (92%) were classified under “S” – within the Resolution’s defects and moisture targets. Of the coffee classified under “S”, 92% was Arabica, and 8% was Robusta. Graph 1 shows the volume of green coffee classified under “S” in the last three coffee years: from 2004/05 to 2006/07.

3. The volume of coffee graded by LIFFE which was deemed to have failed to comply with the targets of Resolution 420 from October 2006 to September 2007 amounted to 1.27 million bags. This represents a decrease of over 14% compared to coffee year 2005/06, when 1.49 million bags failed LIFFE gradings standards and a decrease of over 32% compared to 2004/05. In 2006/07, over 37% failed the grading analysis in Antwerp and nearly 32% in Trieste. According to LIFFE data, over 15% of this coffee was shipped in Côte d’Ivoire and 73% in Vietnam (see Table 1 for the volume of the coffee that failed LIFFE gradings in coffee year 2006/07 by origin and by port). Graph 2 gives the volume of LIFFE gradings deemed to fall below the CQP target standards in coffee years 2004/05 to 2006/07.

4. It has been reported that the coffee authorities in Vietnam have decided to delay the implementation of new quality standards which were due to come into effect on 1 October 2007 and replace the current classification system in effect in the country since 2003. These stricter specifications are aimed at reducing the presence of foreign matter to below 0.5%, as compared with the current level of 1%, and the moisture content in coffee shipments from 13% to 12.5%. Now, the new standards will be gradually introduced as the authorities will initially request the top ten exporters, who together account for two-thirds of Vietnam’s exports, to implement the new system. It is expected that the new standards will be fully implemented by 2010. By taking this line of action, the authorities believe that possible shortfalls in Robusta supplies to the world market will be avoided.

5. Regular reports on the Coffee “C” contract grading analysis are posted on the ICE website, showing the monthly summary and year to date results on the pass/fail results by origin. Based on these reports, for the period October 2006 to September 2007, nearly 92% of the coffee graded by ICE passed the original gradings analysis whereas the analysis on colour and cup quality achieved “pass” levels of nearly 97% and 74%, respectively – see Table 2.

6. It is expected that after the introduction of the new quality control measures in Vietnam, the resulting figures for Robusta coffee will reduce the concern caused by the high volume of this type of coffee that has failed gradings analysis since 2004. The Organization will continue to monitor LIFFE and ICE gradings as well as compliance with Resolution 420 by exporting Members.

TABLE 1

Volume of Robusta coffee gradings by LIFFE deemed to be below the CQP standards
by country of origin and by port of discharge
Coffee year 2006/07

Date	(All)									
	(All)	(All)								
Sum of 60-kg bags	Port									
Origin	Antwerp	% by origin								
Brazil	38 250	3.14								
Cameroon	1 167	1.73								
Cote d'Ivoire	83 083	15.22								
Ghana	1 667	0.13								
Guinea	28 583	3.26								
India	0	0.01								
Indonesia	667	0.23								
Madagascar	4 667	0.42								
Nigeria	167	0.01								
Sierra Leone	3 167	0.41								
Tanzania	0	0.50								
Thailand	7 083	0.56								
Togo	9 583	0.79								
Uganda	1 667	0.24								
Vietnam	295 917	73.36								
Grand Total	475 667	1 274 750								
% by port	37.31	31.84								
	Barcelona	Bremen	Genoa	Hamburg	Le Havre	London	Marselles	Rotterdam	Trieste	Grand Total
	0	0	667	917	0	167	0	0	0	40 000
	0	0	750	0	3 417	0	0	0	16 750	22 083
	0	0	87 167	9 750	0	0	4 750	0	9 250	194 000
	0	0	0	0	0	0	0	0	0	1 667
	0	0	833	3 583	0	0	1 583	0	6 917	41 500
	83	0	0	0	0	0	83	0	0	167
	0	1 583	0	667	0	0	0	0	0	2 917
	0	0	0	0	750	0	0	0	0	5 417
	0	0	0	0	0	0	0	0	0	167
	0	0	0	0	0	0	0	0	2 000	5 167
	0	0	2 250	0	0	0	0	0	4 083	6 333
	0	0	0	0	0	0	0	0	0	7 083
	0	0	0	0	0	0	0	0	500	10 083
	0	0	0	500	0	0	0	0	833	3 000
	9 250	26 667	9 417	64 583	1 833	2 083	0	159 917	365 500	935 167
	9 333	28 250	101 083	80 000	6 000	2 250	6 417	159 917	405 833	1 274 750
	0.73	2.22	7.93	6.28	0.47	0.18	0.50	12.54	31.84	

TABLE 2

**ICE: Coffee "C" gradings summary analysis
OCTOBER 2006 TO SEPTEMBER 2007**

Country of origin	Original			Appeals				Total		Pass
	Pass	Fail		Pass	Fail	Total		Pass	Fail	%
Burundi	8	19		0	3	3		8	19	29.63
Colombia	945	375		189	172	361		1 134	185	85.97
Costa Rica	41	27		6	21	27		47	23	67.14
Dominican Republic	0	1		0	1	1		0	1	0.00
Ecuador	15	3		2	1	3		17	3	85.00
El Salvador	654	153		88	63	151		742	73	0.00
Guatemala	243	109		42	56	98		285	67	80.97
Honduras	1 673	853		406	412	818		2 079	447	82.30
India	285	67		38	23	61		323	29	91.76
Kenya	0	0		0	0	0		0	0	0.00
Mexico	1 095	707		358	334	692		1 453	349	80.63
Nicaragua	538	207		129	70	199		667	78	89.53
Panama	1	0		0	0	0		1	0	100.00
Papua New Guinea	0	0		0	0	0		0	0	0.00
Peru	1 107	817		350	438	788		1 457	467	75.73
Rwanda	9	128		5	55	60		14	123	10.22
Tanzania	3	9		0	0	0		3	9	25.00
Uganda	43	112		9	68	77		52	103	33.55
Venezuela	0	0		0	0	0		0	0	0.00
Total	6 660	3 587		1 622	1 717	3 339		8 282	1 976	80.74

	Original					Appeals			
	Pass	Fail	Total	Pass %		Pass	Fail	Total	Pass %
Grade	9 424	823	10 247	91.97%		2 983	356	3 339	89.34%
Cup	7 581	2 666	10 247	73.98%		2 127	1 212	3 339	63.70%
Colour	9 919	328	10 247	96.80%		3 190	149	3 339	95.54%

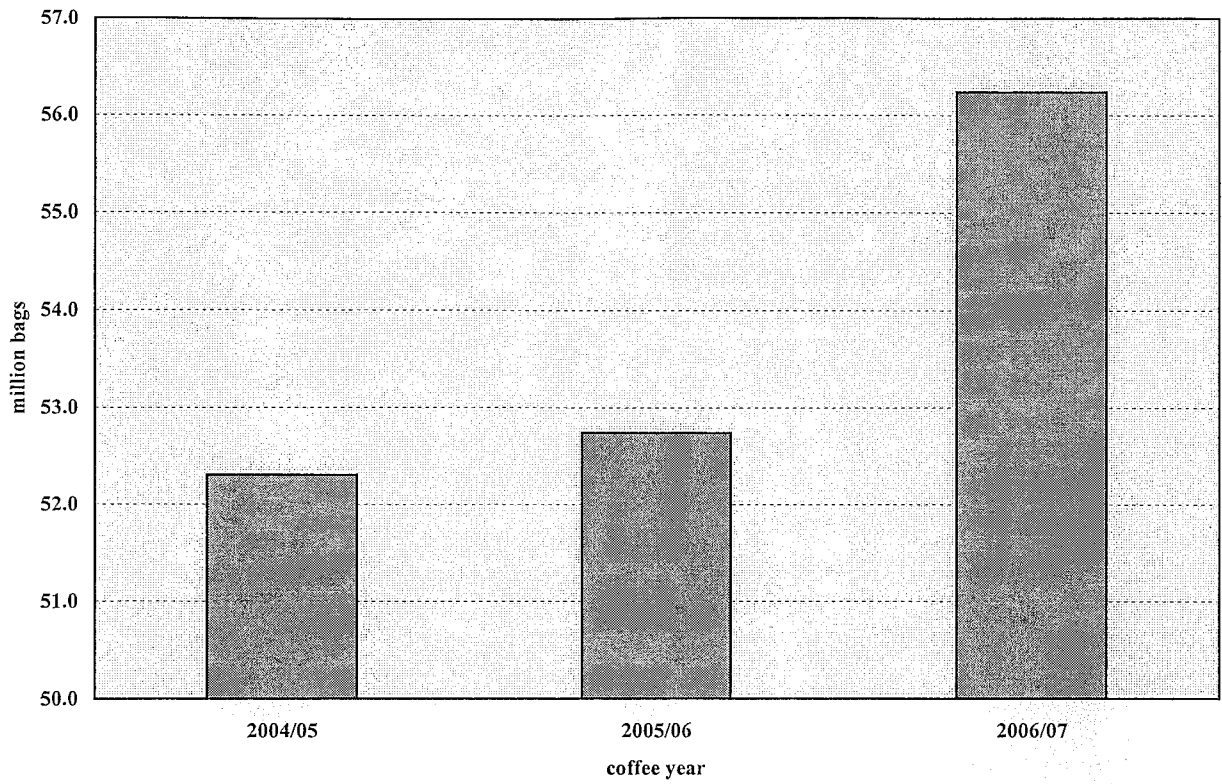
Grading Analysis Statistics representing the Pass/Fail results of original and appeal gradings conducted by ICE Futures U.S., Inc. in the period indicated

ORIGINAL GRADING: Based on individual grading of cup, colour, grade and other imperfections such as odour and/or bean size graded in the period indicated

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 01/10/06 and 30/09/07 regardless of the date of original grading

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

Graph 1: Volume of coffee classified under "S"
Coffee years 2004/05 to 2006/07



Graph 2: Volume of coffee graded by LIFFE below the CQP standards
Coffee years 2004/05 to 2006/07

