



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

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**Report of the meeting held with the
agents responsible for collection
and transmission of coffee prices**

1. In accordance with the Programme of Activities for 2009/10 a meeting with the three Agents (from the United States of America, France and Germany) who collect and transmit daily prices to the Organization was held on 8 June 2010. The purpose of the meeting was to review all aspects of the work of the agents with the objective of improving the system for the calculation of ICO indicator prices.
2. The agents were briefed on the current Rules on Indicator prices (document EB-3776/01 Rev. 1) which details the procedures for the collection, transmission, calculation and publication of group and composite indicator prices in effect since 1 October 2001.
3. The three agents had been previously approached by the Organization with a view to providing comments on the growths currently collected and suggestions on growths to be collected in the future. Further to the original comments provided, which were circulated in document WP-Statistics 122/08, the agent in Germany also suggested in the meeting that, in addition to the *Costa Rica Hard Bean*, the daily collection of prices for *Nicaragua Strictly High Grown* should be dropped as well.
4. Annex Table 1 presents the proposed new composition of the ICO indicator prices in light of the suggestions made by the agents for price quotations on the growths that are traded in significant volumes on a daily basis. A full review of the technical considerations on which this proposal is based can be found in document WP-Statistics 146/10.
5. The following points were also discussed regarding aspects of collection and transmission as provided for in the current Rules:
 - When the New York futures market is closed, quotations of Arabica coffee in the German and French markets are not available, since European traders use the Inter-Continental Exchange (ICE) positions as the basis for pricing of physical coffee.

- With regard to prices of Other Mild Arabicas, current procedures call for agents to record transactions for both past and new crop coffee during the period 1 October to 31 January. Agents informed that the period of availability of old and new crop coffee varied considerably among countries and within the same country in different crop years. As currently formulated, the procedures are burdensome and compliance is difficult. It was proposed that agents would inform to the Organization an average of old and new crops for the period, in their judgment, in which the difference between the two is relevant for each origin

 - In order to reflect the current structure of the coffee market, it was proposed that the sources of daily quotations be changed as follows:
 - five traders/brokers in the USA (as opposed to ‘in New York’);
 - five traders/brokers in Germany (as opposed to ‘in Bremen and Hamburg’);
 - and
 - four traders/brokers in France (as opposed to five ‘in Le Havre’ and two ‘in Marseilles’)
6. All three agents suggested that consideration should be given in the future to the inclusion of quotations from Peru in the Other Milds group given the increasing market share from this origin both in the USA and in Europe.

ANNEX TABLE 1

		Growths to be used in the calculation of group indicators		
Group	Market	Keep	Include	Exclude
Colombian Milds	USA	Colombian Excelso UGQ screen size 14	None	None
	Germany	Colombian Excelso European preparation screen size 15	None	None
	France		Colombian Excelso European preparation screen size 15	
Other Milds	USA	Costa Rica Hard Bean	Honduras High Grown	El Salvador Central Standard
		Guatemala Prime Washed		
		Mexico Prime Washed		
	Germany	Guatemala Hard Bean	Honduras High Grown European preparation	Costa Rica Hard Bean
		El Salvador Strictly High Grown		Nicaragua Strictly High Grown
	France		Honduras High Grown European preparation	
Brazilian Naturals	USA		Brasil Santos 3/4 screen size 14/16	Brasil Santos 4
	Germany	Brasil Santos 2/3 screen size 17/18	None	None
	France		Brasil Santos 3/4 screen size 14/16	
Robustas	USA	Indonesia EK Grade 4	None	Cote d'Ivoire Grade 2
		Uganda Standard		
		Vietnam Grade 2		
	Germany		Vietnam Grade 2	
	France	Cote d'Ivoire Grade 2	None	Cameroon Grade 1
		Indonesia EK Grade 4		
		Uganda Standard		
		Vietnam Grade 2		