



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

WP Statistics 122/08

29 April 2008  
English only

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Rules on Statistics

Statistics Committee  
24<sup>th</sup> meeting  
21 May 2008  
London, England

**Indicator prices – proposals for revisions  
to the Rules contained in document  
EB-3776/01 Rev. 1**

## **Background**

1. The Rules on Statistics contained in document EB-3376/01 Rev. 1 set out the procedures for the collection, transmission, calculation and publication of group and composite prices. These Rules came into effect on 1 October 2001 and, in accordance with the established procedures, the market shares of each group and their weightings in the calculation of the ICO composite price are reviewed every two years.

2. The last revision approved by the Council based on the current market trends, as recommended by this Committee, came into effect on 1 October 2007 and are contained in document EB-3776/01 Rev. 1 Add. 3 (attached for reference). Therefore, this Committee has sufficient time until September 2009 to propose any amendments or revisions to the existing Rules on Indicator prices.

## **Action**

The Statistics Committee is requested to consider this document.

**INDICATOR PRICES  
PROPOSALS FOR REVISIONS TO THE RULES  
CONTAINED IN DOCUMENT EB-3776/01 REV. 1**

1. The agents of the Organization, who collect the daily spot prices in France, Germany and the USA, have been requested to provide their views on current market trends in terms of the growths of coffee most commonly traded, possible replacement of the current growths listed in the Rules, which are not traded in significant volumes on a daily basis, by growths that have increased in trade since 2001, and to suggest, based on their experience of the market, any new growths to be collected.

2. The current growths of coffee collected on a daily basis by our agents in each market are:

<b>Market</b>	<b>Group of coffee</b>	<b>Growth collected</b>
New York	Colombian Mild Arabicas	Colombian Excelso UGQ screen size 14
	Other Mild Arabicas	Costa Rica Hard Bean
		El Salvador Central Standard
		Guatemala Prime Washed
		Mexico Prime Washed
	Brazilian Naturals	Brasil Santos 4
	Robustas	Côte d'Ivoire Grade 2
		Indonesia EK Grade 4
		Uganda Standard
		Vietnam Grade 2
Germany	Colombian Mild Arabicas	Colombian Excelso European preparation screen size 15
	Other Mild Arabicas	Costa Rica Hard Bean
		El Salvador Strictly High Grown
		Guatemala Hard Bean
		Nicaragua Strictly High Grown
	Brazilian Naturals	Brasil Santos 2/3 screen size 17/18
France	Colombian Mild Arabicas	Colombian Excelso European preparation screen size 15
	Brazilian Naturals	Brasil Santos 2/3 screen size 17/18
	Robustas	Cameroon Grade 1
		Côte d'Ivoire Grade 2
		Indonesia EK Grade 4
		Uganda Standard
	Vietnam Grade 2	

3. A summary of the replies received from each agent is as follows:

**Germany:** Costa Rica Hard Bean is no longer traded in significant volume on a daily basis. In addition a considerable increase in the volume of Vietnam Grade 2 traded in that market is reported.

**France:** There has been a considerable decrease in the market shares of Cameroon Grade 1, Côte d'Ivoire Grade 2 and Indonesia EK Grade 4 which have all been offset by Vietnam Grade 2. In addition, Indonesia EK Grade 4 and Uganda Standard are said to no longer be traded in significant volumes on a daily basis, as they are not offered regularly thus restricting their availability in the market.

**New York:** The agent has indicated that he might be able to add and/or replace any growth of coffee collected on a daily basis, which may be recommended by this Committee, pending consultation with traders in order to check its daily availability in significant volumes.

4. Based on the facts summarized above and bearing in mind the need to maintain the total cost of this exercise within the budgetary provisions, the Committee is requested to consider the technical and practical aspects of any proposals for changes in the growths used in the calculation of group indicator prices.



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EB 3776/01 Rev. 1 Add. 3

2 October 2007  
Original: English

Rules on Statistics  
Indicator prices

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**Share of markets and their weightings in  
the calculation of group and composite  
prices from 1 October 2007**

**Background**

1. The Procedures for the collection, transmission, calculation and publication of group and composite prices contained in document EB-3776/01 Rev. 1 were originally approved by the International Coffee Council at its 83<sup>rd</sup> Session on 23 May 2001. These Procedures apply for the duration of the International Coffee Agreement 2001 subject to periodic reviews of the pattern of trade.
2. In accordance with the established Procedures, the Statistics Committee has analysed the pattern of trade in the period 2003 to 2006 and concluded that the calculation of prices should be changed in order to reflect the reality of the markets. At its 98<sup>th</sup> Session on 28 September 2007 the Council approved revised shares of the markets in each group of coffee and their weightings for the calculation of group and composite prices as from **1 October 2007** (see Item 9 of document ICC-98-4).
3. It should be noted that all other terms and conditions set out in document EB-3776/01 Rev. 1 – Rules on Statistics – Indicator prices, which also contains the procedures for the collection, transmission, calculation and publication of group and composite prices, remain unchanged.
4. It may be noted that the previous revision to the shares of markets in each group and their weightings is contained in document EB-3776/01 Rev. 1 Add. 2.
5. The attached Annex containing details of the new methodology replaces Annex I of document EB-3776/01 Rev. 1 with effect from **1 October 2007**.

**SHARE OF THE MARKETS IN EACH GROUP OF COFFEE  
AND THEIR WEIGHTING IN THE CALCULATION  
OF THE ICO COMPOSITE INDICATOR PRICE  
FROM 1 OCTOBER 2007**

**The procedures set out in these Rules take into account the following principles:**

- (a) the agents in the three main markets (France, Germany and the USA) and their respective costs for collection and transmission are unchanged;
- (b) the share of each group is based on the average export performance to the USA and to the European Union in calendar years 2003 to 2006; and
- (c) the weighting of each group is to be reviewed every two years.

**The share of each market in the four groups is as follows:**

- Colombian Milds: 44% New York – 56% Germany
- Other Milds: 42% New York – 58% Germany
- Brazilian Naturals: 23% New York – 77% Germany
- Robustas: 18% New York – 82% France

**The calculation of the ICO composite indicator price is weighted as follows:**

- Colombian Milds: 14%
- Other Milds: 20%
- Brazilian Naturals: 31%
- Robustas: 35%