

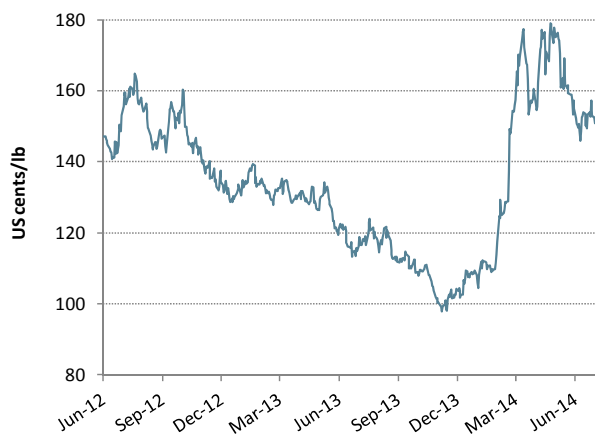


MONTHLY COFFEE MARKET REPORT

June 2014

With still no consensus on the size of the Brazilian crop, and sufficient stocks to cover current demand levels, prices of all four group indicators have drifted lower over the past two months. The monthly average of the ICO composite indicator was 7.3% lower in June compared to May at 151.92 US cents/lb, its lowest average since February. All group indicators settled lower, with Colombian Milds, Other Milds and Brazilian Naturals down 7.8%, 7.6%, and 9.1% respectively, while Robustas also dropped by 4%.

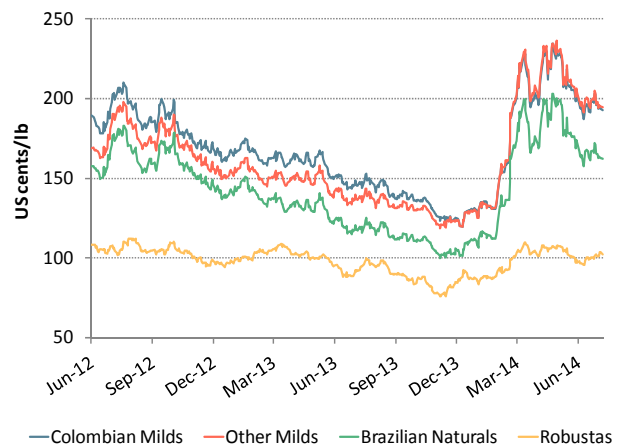
Graph 1: ICO composite indicator daily prices



In terms of the daily prices, the composite indicator did start to rally over the course of June, increasing from a low of 145.87 cents on 9 June to 157.22 cents on the 25, although this range is narrower than recent months. The daily price of Other Milds continued trading above that of Colombian Milds, and has now done so since 7 February. This continuous negative price differential between the two is unprecedented in the history of the ICO.

The arbitrage between Arabica and Robusta fell by 11.1% in June, as Arabica prices fell more than Robusta, although the current differential of 86.41 US cents/lb is significantly higher than a year ago. Furthermore, the differential between all three Arabica group indicators and the Robusta indicator narrowed significantly compared to May.

Graph 2: ICO group indicator daily prices



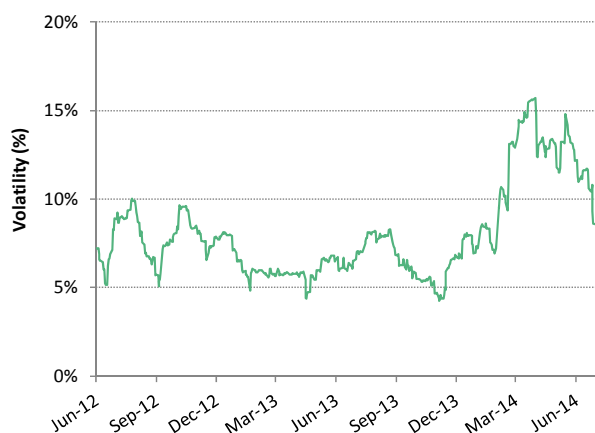
— Colombian Milds — Other Milds — Brazilian Naturals — Robustas

Graph 3: Arbitrage between New York and London futures markets



The price volatility of all composite and group indicators was lower in June than May, as the dramatic price swings observed over the last few months lessened. Average price volatility in June dropped to single figures for all group indicators, reflecting the reduced levels of speculation and concern over supply.

Graph 4: Rolling 30-day volatility of the ICO composite indicator price



Total exports in May 2014 were estimated at 9.6 million bags, 5.6% less than May 2013. This brings total exports for the first eight months of coffee year 2013/14 (October to May) to 72.8 million bags, 3.9% lower than the previous year. This is mostly due to lower shipments from Central America, as well as a significant drop in exports estimated from Indonesia, which are down 42.5% in the time period, from

7.3 million bags to 4.2 million. Exports from Brazil have also maintained a healthy volume, despite the lower production levels expected in 2014/15, with exports in May 13.8% higher than last year.

Based on the information currently available, total production in crop year 2013/14 is estimated at around 145.2 million bags, virtually unchanged on the previous year. Total Arabica production is estimated at 85.3 million bags, down 4% on 2012/13, as the damage from coffee leaf rust in Central America had a severe impact on production, with around 4 million bags lost compared to 2011/12 (before the outbreak). Production in Colombia has been revised slightly higher to 11 million bags, based on monthly production levels, which for the first nine months of crop year 2013/14 have already reached 8.8 million bags, 21.5% higher than the same period in 2012/13.

Production of Robusta, on the other hand, is expected to increase by 6% to 59.9 million bags, compared to 56.5 million in crop year 2012/13. This is mostly attributable to the record crop of 27.5 million bags estimated in Vietnam, although slightly lower production of 11.67 million bags is expected in Indonesia. Robusta production in India has also been revised down slightly due to damage from particularly heavy monsoon rains. Full production data are available on the ICO website at www.ico.org/prices/po.htm.

Graph 5: World coffee production

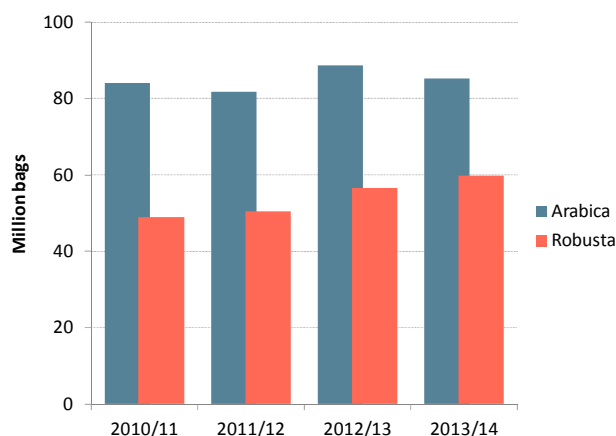


Table 1: ICO indicator prices and futures prices (US cents/lb)

	ICO Composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York*	London*
Monthly averages							
Jun-13	117.58	147.55	138.26	120.01	90.79	126.37	81.82
Jul-13	118.93	147.46	138.39	119.47	95.21	125.27	85.34
Aug-13	116.45	143.26	135.15	116.81	94.01	122.31	84.10
Sep-13	111.82	138.60	132.28	112.65	87.78	119.55	77.89
Oct-13	107.03	133.83	128.70	109.57	83.70	117.05	73.47
Nov-13	100.99	124.65	122.02	102.57	79.71	109.10	69.32
Dec-13	106.56	126.54	125.97	107.40	87.89	114.12	76.74
Jan-14	110.75	132.90	132.73	114.02	87.73	120.92	77.25
Feb-14	137.81	172.22	173.64	148.74	95.90	156.68	85.12
Mar-14	165.03	211.07	214.09	182.97	105.37	190.66	95.53
Apr-14	170.58	220.62	223.48	190.62	105.55	200.39	96.12
May-14	163.94	211.66	214.20	181.97	102.99	191.07	93.83
Jun-14	151.92	195.17	197.89	165.34	98.91	175.81	89.40
% change between Jun-14 and May-14							
	-7.3%	-7.8%	-7.6%	-9.1%	-4.0%	-8.0%	-4.7%
Annual averages							
2009	115.67	177.39	143.81	115.30	74.56	128.40	67.69
2010	147.24	225.52	195.99	153.72	78.74	165.20	71.98
2011	210.39	283.84	271.07	247.62	109.21	256.36	101.23
2012	156.34	202.08	186.47	174.97	102.82	179.22	91.87
2013	119.51	147.87	139.53	122.23	94.16	129.41	84.45
% change between 2013 and 2012							
	-23.6%	-26.8%	-25.2%	-30.1%	-8.4%	-27.8%	-8.1%
Volatility (%)							
May-14	10.6	11.3	11.1	13.2	6.6	13.6	7.6
Jun-14	7.4	8.4	7.9	9.7	5.2	9.9	5.9
Variation between Jun-14 and May-14							
	-3.2	-2.9	-3.2	-3.6	-1.4	-3.7	-1.6

* Average price for 2nd and 3rd positions

Table 2: Price differentials (US cents/lb)

	Colombian Milds Other Milds	Colombian Milds Brazilian Naturals	Colombian Milds Robustas	Other Milds Brazilian Naturals	Other Milds Robustas	Brazilian Naturals Robustas	New York* London*
Jun-13	9.29	27.54	56.76	18.25	47.47	29.22	44.55
Jul-13	9.07	27.99	52.25	18.92	43.18	24.26	39.93
Aug-13	8.11	26.45	49.25	18.34	41.14	22.80	38.21
Sep-13	6.32	25.95	50.82	19.63	44.50	24.87	41.66
Oct-13	5.13	24.26	50.13	19.13	45.00	25.87	43.58
Nov-13	2.63	22.08	44.94	19.45	42.31	22.86	39.78
Dec-13	0.57	19.14	38.65	18.57	38.08	19.51	37.38
Jan-14	0.17	18.88	45.17	18.71	45.00	26.29	43.67
Feb-14	-1.42	23.48	76.32	24.90	77.74	52.84	71.56
Mar-14	-3.02	28.10	105.70	31.12	108.72	77.60	95.13
Apr-14	-2.86	30.00	115.07	32.86	117.93	85.07	104.27
May-14	-2.54	29.69	108.67	32.23	111.21	78.98	97.24
Jun-14	-2.72	29.83	96.26	32.55	98.98	66.43	86.41
% change between Jun-14 and May-14							
	7.1%	0.5%	-11.4%	1.0%	-11.0%	-15.9%	-11.1%

* Average price for 2nd and 3rd positions

Table 3: Total production in exporting countries

Crop year commencing	2010	2011	2012	2013*	% change 2012-13
TOTAL	133 065	132 207	145 323	145 194	-0.1%
Arabicas	84 190	81 804	88 780	85 269	-4.0%
Colombian Milds	9 705	8 720	12 011	12 264	2.1%
Other Milds	28 871	31 965	28 991	26 299	-9.3%
Brazilian Naturals	45 614	41 119	47 777	46 706	-2.2%
Robustas	48 876	50 403	56 543	59 925	6.0%
Africa	16 053	15 715	16 529	16 267	-1.6%
Asia & Oceania	36 016	37 897	42 684	46 707	9.4%
Mexico & Central America	18 103	20 194	18 498	16 020	-13.4%
South America	62 893	58 401	67 612	66 200	-2.1%

* Estimated

In thousand bags

Full production data are available on the ICO website at www.ico.org/prices/po.htm

Table 4: Total exports of all forms of coffee by exporting countries

	May 2013	May 2014	% change	October - May		
				2012/13	2013/14	% change
TOTAL	10 189	9 623	-5.6%	75 824	72 832	-3.9%
Arabicas	6 177	6 246	1.1%	46 789	46 440	-0.7%
Colombian Milds	987	930	-5.8%	6 751	8 331	23.4%
Other Milds	2 597	2 438	-6.1%	17 174	15 378	-10.5%
Brazilian Naturals	2 594	2 879	11.0%	22 864	22 731	-0.6%
Robustas	4 012	3 376	-15.8%	29 036	26 392	-9.1%

In thousand bags

Full trade statistics for all exporting countries are available on the ICO website at www.ico.org/trade_statistics.asp

Table 5: Certified stocks on the New York and London futures markets

	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
London	2.00	1.64	1.32	1.01	0.89	0.77	0.50	0.46	0.40	0.32	0.27	0.85	1.12
New York	3.09	3.11	3.15	3.13	3.07	3.02	3.06	3.00	2.95	2.92	2.90	2.87	2.83

In million bags

Table 6: World coffee consumption

Calendar years	2010	2011	2012	2013*	CAGR (2010-2013*)
World total	137 060	139 079	142 000	145 800	2.1%
Exporting countries	40 910	42 398	43 471	44 670	3.0%
Traditional markets	71 015	70 735	71 399	74 109	1.4%
Emerging markets	25 135	25 946	27 131	27 021	2.4%

CAGR: Compound Annual Growth Rate

* Estimated