World Coffee Market Outlook
ICO composite indicator price

US cent/lbs

ICO Composite
Colombian Milds
Other Milds
Brazilian Naturals
Robustas
ICO composite indicator price

US cent/lbs

ICO Composite

Colombian Milds

Other Milds

Brazilian Naturals

Robustas
Price volatility
ICO composite indicator: 2012 - 2014
Arabica/Robusta Arbitrage
2004 – 2014
Price differentials
February 2013 – February 2014

Brazil

Colombia

Honduras

Kenya
World coffee production
Crop years 2003/04 – 2013/14*

<table>
<thead>
<tr>
<th>Year</th>
<th>Million bags</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>106.1</td>
</tr>
<tr>
<td>2004</td>
<td>116.0</td>
</tr>
<tr>
<td>2005</td>
<td>111.0</td>
</tr>
<tr>
<td>2006</td>
<td>128.3</td>
</tr>
<tr>
<td>2007</td>
<td>119.8</td>
</tr>
<tr>
<td>2008</td>
<td>128.6</td>
</tr>
<tr>
<td>2009</td>
<td>123.0</td>
</tr>
<tr>
<td>2010</td>
<td>133.0</td>
</tr>
<tr>
<td>2011</td>
<td>132.3</td>
</tr>
<tr>
<td>2012</td>
<td>145.1</td>
</tr>
<tr>
<td>2013</td>
<td>145.8</td>
</tr>
</tbody>
</table>

*Estimated
### Production: 2013/14*
(In thousand bags)

<table>
<thead>
<tr>
<th>Country</th>
<th>2012/13</th>
<th>2013/14*</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>50 826</td>
<td>49 152</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>22 030</td>
<td>27 500</td>
<td>24.8%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>12 730</td>
<td>11 667</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Colombia</td>
<td>10 371</td>
<td>10 900</td>
<td>5.1%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>6 366</td>
<td>6 600</td>
<td>3.7%</td>
</tr>
<tr>
<td>India</td>
<td>5 303</td>
<td>5 192</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Honduras</td>
<td>4 537</td>
<td>4 200</td>
<td>-7.4%</td>
</tr>
<tr>
<td>Peru</td>
<td>4 450</td>
<td>4 200</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Mexico</td>
<td>4 327</td>
<td>3 900</td>
<td>-9.9%</td>
</tr>
<tr>
<td>Uganda</td>
<td>3 698</td>
<td>3 600</td>
<td>-2.7%</td>
</tr>
</tbody>
</table>

*Estimated
# Coffee Leaf Rust in Central America

<table>
<thead>
<tr>
<th>Country</th>
<th>Production losses (thousand bags)</th>
<th>% change in production 2011/12 - 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012/13</td>
<td>2013/14</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>72 067</td>
<td>306 667</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>142 600</td>
<td>127 285</td>
</tr>
<tr>
<td>El Salvador</td>
<td>200 023</td>
<td>172 500</td>
</tr>
<tr>
<td>Guatemala</td>
<td>498 333</td>
<td>188 600</td>
</tr>
<tr>
<td>Honduras</td>
<td>904 667</td>
<td>606 050</td>
</tr>
<tr>
<td>Jamaica</td>
<td>0</td>
<td>6 049</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>44 007</td>
<td>306 667</td>
</tr>
<tr>
<td>Panama</td>
<td>29 202</td>
<td>42 167</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1 890 899</strong></td>
<td><strong>1 755 984</strong></td>
</tr>
</tbody>
</table>

Source: Promecafe
Stocks in exporting and importing countries

- Stocks (million bags)
- Stocks/use ratio

Year | Exporting countries | Importing countries | Stocks/use
--- | --- | --- | ---
2003/04 | 40 | 20 | 2.0
2004/05 | 40 | 20 | 2.0
2005/06 | 30 | 20 | 1.5
2006/07 | 20 | 20 | 1.0
2007/08 | 20 | 20 | 1.0
2008/09 | 20 | 20 | 1.0
2009/10 | 20 | 20 | 1.0
2010/11 | 20 | 20 | 1.0
2011/12 | 20 | 20 | 1.0
2012/13 | 20 | 20 | 1.0
2013/14 | 20 | 20 | 1.0

Stocks/use ratio ranges from 1.0 to 3.0 over the years.
Exports
Calendar years 2009 - 2013

Volume (million bags)

- 2009: 96.2
- 2010: 96.9
- 2011: 104.1
- 2012: 110.8
- 2013: 109.3

Colombian Milds  Other Milds  Brazilian Naturals  Robustas

- 2009: 37%  31%  10%  22%
- 2010: 33%  34%  9%  24%
- 2011: 36%  31%  8%  25%
- 2012: 39%  28%  8%  25%
- 2013: 37%  30%  10%  23%

INTERNATIONAL COFFEE ORGANIZATION

50 years
Export volume and value
Coffee years 2002/03 – 2012/13
Certified stocks on the futures markets

January 2012 – January 2014

Million bags

New York  London

Jan-12  Apr-12  Jul-12  Oct-12  Jan-13  Apr-13  Jul-13  Oct-13  Jan-14
World coffee consumption
2003 – 2013*

Million bags

- Emerging markets
- Exporting countries
- Traditional markets

DATA IMPORTED FROM EXCEL
Changing composition of coffee consumption

1990
- Traditional markets: 63%
- Emerging markets: 15%
- Exporting countries: 22%

2000
- Traditional markets: 57%
- Emerging markets: 18%
- Exporting countries: 25%

2013
- Traditional markets: 50%
- Emerging markets: 19%
- Exporting countries: 31%
Consumption in East/Southeast Asia: 2012

- China: 1,071
- Mongolia: 16
- South Korea: 1,714
- Japan: 7,131
- Taiwan: 396
- Vietnam: 1,583
- Thailand: 1,052
- Laos: 150
- Cambodia: 28
- Malaysia: 393
- Philippines: 2,175
- Indonesia: 3,584

About Tableau maps: www.tableausoftware.com/mapdata
Consumption in East/Southeast Asia: 1990 - 2012

Million bags


- Mongolia
- North Korea
- Cambodia
- Brunei
- Laos
- Myanmar
- Malaysia
- Taiwan
- Thailand
- China
- Vietnam
- South Korea
- Philippines
- Indonesia
- Japan
Consumption in East/Southeast Asia as % of world

1990: 9.3%
2000: 11.1%
2012: 13.9%
Market outlook

1. Supply
   - Brazilian crop: outlook uncertain?
   - Central America: 24% of production lost since 2011
   - Future threats from climate change and extreme weather events

2. Demand
   - Continues to show strong growth – particularly in Asia
   - But consumption in emerging markets and exporting countries will be dependent on economic growth

3. Prices
   - Almost 50% increase since the beginning of the year, but still only at level of October 2012
   - Will need to be sustained to benefit producers
Thank you

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