Net Trade

- Asia & Latin America biggest exporters
- Europe & North America biggest importers

Source: Public Ledger, customs data
World Overview

• Global coffee production up 50% since 1993
• Robusta closing gap on arabica

Sources: Public Ledger, USDA, ICO
Supply & Demand

- Chronic oversupply
- Fourth consecutive surplus in 2014?
- EU and US consumption growth slowing down
- RoW catching up
Production
Brazil

- Huge production over recent years
- Government intervention due to low prices
Vietnam

- Expansion in planted area
- Record coffee output

![Graph showing coffee production in Vietnam from 2003 to 2013. The graph indicates a significant increase in production, particularly for robusta coffee, with a peak in 2012. Sources: Public Ledger, USDA, ICO.](image)
Colombia

- Tree renovation programme means smaller crops
- Recovery under way
- Stocks have come down to almost zero

Sources: Public Ledger, USDA, ICO
Indonesia

- Hit by bad weather
- Potential for output growth

![Production Chart](chart.png)

Sources: Public Ledger, USDA, ICO
Demand
Developed Markets

• Growth in the EU and US is almost flat
Consumption - Asia

- Asia is drinking more and more coffee
Asia – per capita consumption

- China has the most potential for growth
Brazil

- Domestic demand on the rise, stocks falling
India

Imports
Consumption
Production

Source: USDA

(000 bags)

Supply & Demand Outlook
By 2023...

- After 2016, output will struggle to keep up with demand
- World production to reach **190 million** bags by 2023
- Consumption to rise close to **200 million** bags
- Traditional coffee markets will have a reduced market share
- Brazil and China will be among the top consumers
Price Forecast

- Neutral to bearish for robusta and arabica for next two seasons
- More bullish over the longer term
- Arabica’s premium over robusta to tighten further
Thank you

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