Coffee Market Outlook

117th International Coffee Council
September 2016
Daily prices: Last two years

[Graph showing daily prices for different types of coffee over the last two years, with labels for ICO Composite, Colombian Milds, Other Milds, Brazilian Naturals, and Robustas.]
Movements in exchange rates (US$ against local currencies)
Currency depreciation offsets decline in world market price
Supply & Demand
World coffee production

- 147.1 million bags in crop year 2015/16
- 0.3% increase on 2014/15
- Arabicas unchanged
- Robustas ↑ 0.9%
World coffee production (2)

Million 60kg bags

- Brazil
- Vietnam
- Colombia
- Indonesia
- Ethiopia
- India
- Honduras
- Uganda
- Guatemala
- Peru

Legend:
- 2012/13
- 2013/14
- 2014/15
- 2015/16
Production in Brazil

- Current ICO estimate of 2016/17 production: 55 million bags
- Significant recovery after three consecutive years of lower output
- Domestic consumption estimated at 20.5 million bags
Production in Colombia

 Thousand 60kg bags

Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep

2012/13 | 2013/14 | 2014/15 | 2015/16
World consumption

• Increasing by 1.1% to 151.0 million bags in coffee year 2015/16

• Still strong demand in many countries, particularly some traditional markets

• But biggest potential is emerging markets and exporting countries
Inventories in importing countries

Million 60kg bags

- Japan
- USA
- EU

Years:
- 2012
- 2014
- 2016
Supply/Demand Balance

![Graph showing Supply and Demand Balance from 2012/13 to 2015/16. The graph includes bar charts for Production and Consumption, as well as a separate bar chart for the Balance.]
Comparison with other sources

![Comparison with other sources](image)
Conclusions
Coffee market in deficit for second consecutive year in 2015/16
Concerns ahead for Robusta in 2016/17
Thank you