ICO COMPOSITE INDICATOR DAILY PRICE
ICO COMPOSITE INDICATOR PRICE SINCE OCTOBER 1990

Nominal and real terms (base year = 2000)
EVOLUTION OF THE ICO COMPOSITE INDICATOR AND THE BRAZILIAN REAL
NEW YORK AND LONDON FUTURES MARKETS

Average of 2nd and 3rd positions

US cents/lb


New York  London
RETAIL PRICE OF ROASTED COFFEE IN SELECTED COUNTRIES
RATIO RETAIL PRICE/ICO COMPOSITE INDICATOR PRICE

Roasted coffee

- Germany
- Italy
- Japan
- Norway
- USA
SUPPLY & DEMAND
WORLD PRODUCTION

Coffee years 2009/10 to 2018/19*

Million 60-kg bags

<table>
<thead>
<tr>
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<tbody>
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<td>Value</td>
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<td>140</td>
<td>150</td>
<td>160</td>
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<td>180</td>
<td>190</td>
<td>200</td>
<td>210</td>
<td>220</td>
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*Estimates
PRODUCTION BY TYPE OF COFFEE

Coffee years 2009/10 to 2018/19*

MILLION 60-KG BAGS

<table>
<thead>
<tr>
<th>Year</th>
<th>Arabica</th>
<th>Robusta</th>
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<tr>
<td>2009/10</td>
<td>80</td>
<td>50</td>
</tr>
<tr>
<td>2010/11</td>
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<td>55</td>
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<td>2011/12</td>
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<td>60</td>
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<td>2012/13</td>
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<td>65</td>
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<tr>
<td>2013/14</td>
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<td>2014/15</td>
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<td>2015/16</td>
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<td>2016/17</td>
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<td>85</td>
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<tr>
<td>2017/18</td>
<td>125</td>
<td>90</td>
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<tr>
<td>2018/19*</td>
<td>130</td>
<td>95</td>
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</table>
WORLD CONSUMPTION

Million 60-kg bags

Beginning of coffee year

Consumption
Forecast
Lower
Upper
INVENTORIES IN IMPORTING COUNTRIES AND ICO AVERAGE COMPOSITE INDICATOR PRICE

![Graph showing INVENTORIES and ICO COMPOSITE](image-url)
SUPPLY/DEMAND BALANCE & ICO COMPOSITE

Coffee years 2008/09 - 2018/19

Million 60-Kg bags

US cents/lb
CONCLUSIONS

- The current negative trend of coffee prices is expected to lead to lower exports earnings, although it is too early to assess the relevant figures.

- Low prices do not encourage the production of good quality coffee, since farmers are reducing their costs.

- In the medium term, production of quality coffee will be reduced.
CONCLUSIONS

- Analysis of fundamental market factors seems to indicate that the downward pressure on prices is mainly attributable to the surplus in the market, as evidenced by the steady increase in exports.

- However, in a free market environment, increasing domestic consumption will contribute to reducing export flows and keeping a tight balance between supply and demand.

- A healthy coffee industry will depend on maintaining dynamic growth in consumption. Developing the market will reduce the gap between global supply and world consumption, thereby supporting prices.
Thank you