



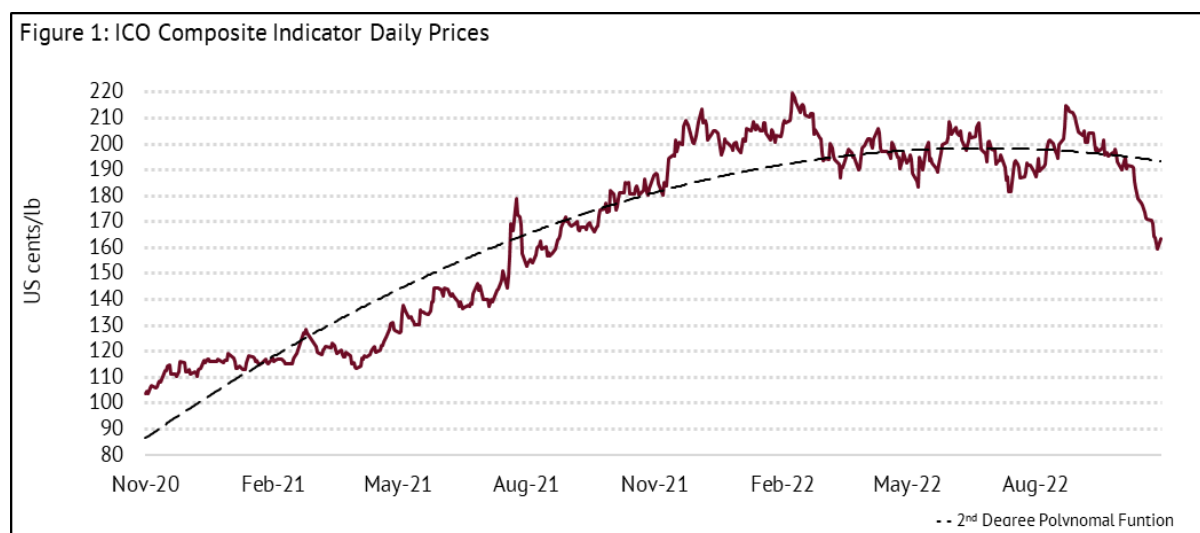
October 2022

Despite prices dropping 21.09 US cents/lb, I-CIP remains 18.1% above the 2021 calendar year average.

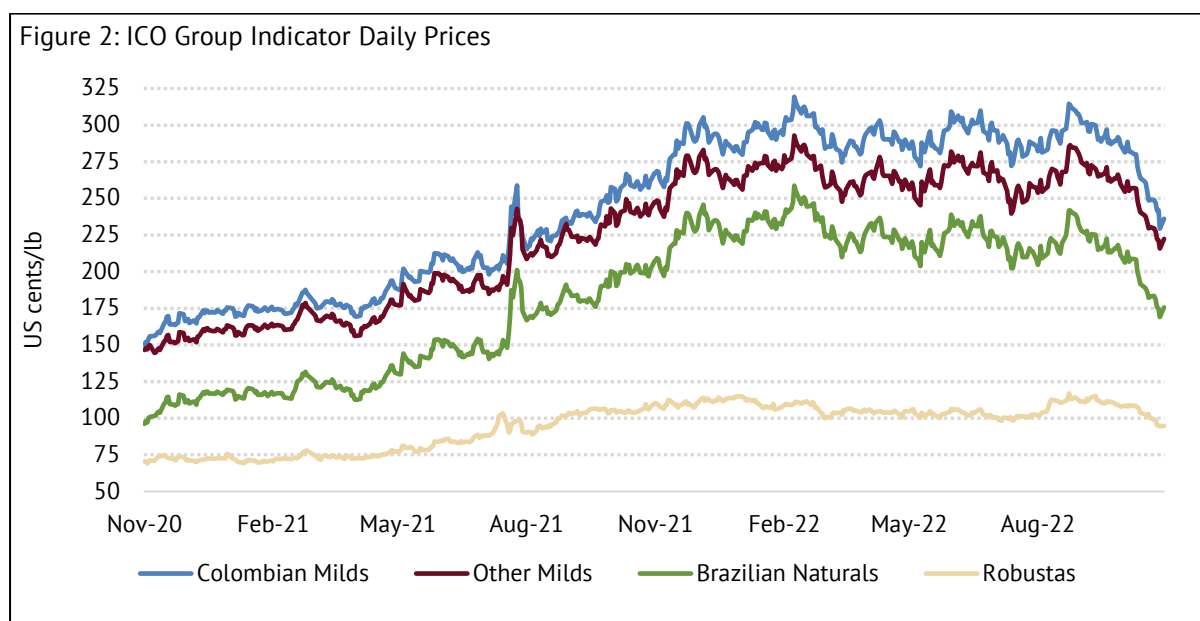
- *The ICO Composite Indicator Price (I-CIP) lost 10.6% from September to October 2022, averaging 178.54 US cents/lb for the latter, whilst posting a median value of 177.22 US cents/lb.*
- *Average prices for all groups indicators decreased in October 2022.*
- *The Colombian Milds-Other Milds and the Brazilian Naturals-Robusta differential both took the hardest hit from September to October 2022, retracting 17.8% and 17.5%. The differential for the aforementioned period shrank from 26.60 to 21.87 US cents/lb and 108.23 to 89.25 US cents/lb.*
- *The arbitrage between the New York and London Futures markets shrank by 15.4%, falling to 99.56 US Cents/lb in October 2022 from 117.74 US cents/lb in September 2022 as the price decline was more marked for Arabica than Robusta.*
- *Intra-day volatility of the I-CIP decreased 1.2 percentage points between September and October 2022, reaching a low of 7.1%.*
- *The New York certified stocks decreased 9.3% from the previous month, closing in at 0.41 million bags, whilst certified stocks of Robusta coffee reached 1.52 million bags, representing a decrease of 4.3%.*
- *Global exports of green beans were down 1.1% in coffee year 2021/22, totalling 116.07 million bags from 117.32 million bags in coffee year 2020/21.*
- *Exports of the Colombian Milds decreased by 7.1% in coffee year 2021/22, falling to 12.14 million bags from 2022 from 13.07 million bags in the previous coffee year.*
- *Shipments of the Other Milds increased by 1.3% in coffee year 2021/22, rising to 23.9 million bags from 23.59 million bags in the previous coffee year.*
- *Exports of the Robustas totalled 42.2 million bags in coffee year 2021/22, up 2.6% as compared with 41.12 million bags in coffee year 2020/21.*
- *Total exports of soluble coffee increased by 6.1% in coffee year 2021/22 to 12.1 million bags from 11.4 million bags in coffee year 2020/21.*
- *In October 2021 to September 2022, South America's exports of all forms of coffee decreased by 7.1% to 55.31 million bags.*
- *Exports of all forms of coffee from Asia & Oceania increased by 12.8% to 43.86 million bags in coffee year 2021/22.*
- *Exports of all forms of coffee from Africa decreased by 5.1% to 13.73 million bags in coffee year 2021/22 from 14.48 million bags in the previous coffee year.*
- *In October 2021 to September 2022, exports of all forms of coffee from Mexico & Central America were down 3.3% to 16.09 million bags as compared with 16.63 million in coffee year 2020/21.*

Green Coffee Price

The ICO Composite Indicator Price (I-CIP) lost 10.6% from September to October 2022, averaging 178.54 US cents/lb for the latter, whilst posting a median value of 177.22 US cents/lb. In October 2022, the I-CIP fluctuated in between 159.30 and 194.92 US cents/lb.

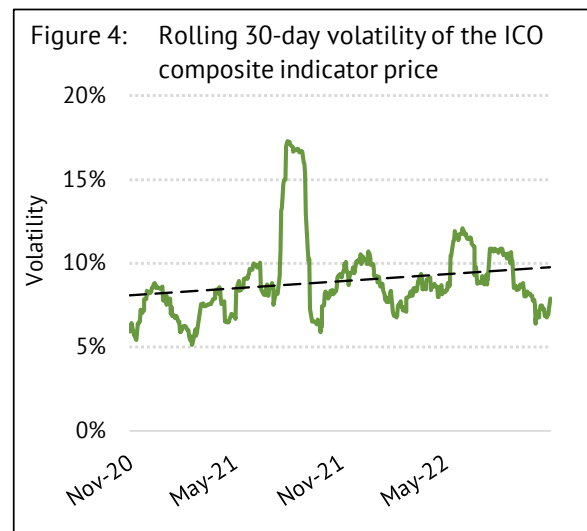
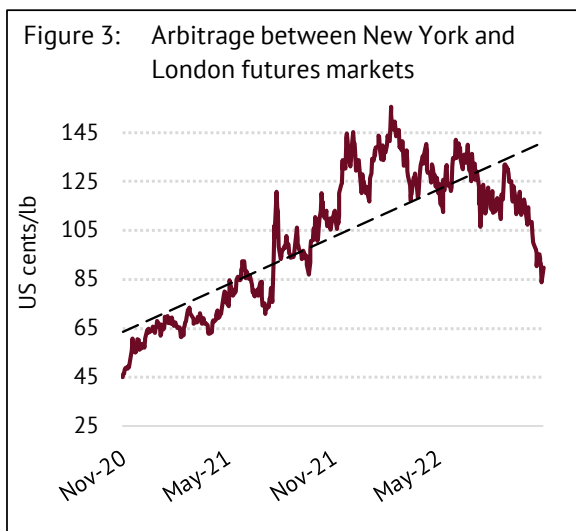


Average prices for all groups indicators decreased in October 2022. The Colombian Milds and Other Milds, decreased by 10.9% and 10.2%, respectively, month-on-month in October. The former averaged 261.95 US cents/lb in October 2022, whilst the latter averaged 240.08 US cents/lb. The Brazilian Naturals declined the most within all four groups, falling 12.4% to 192.27 US cents/lb. The Robustas averaged 103.01 US cents/lb for the month of October, a 7.5% decline from the previous month. The downturns are in part due to the average 2nd and 3rd positions of the ICE New York futures market, which lost 12.1% in October 2022 versus September 2022. The average of the 2nd and 3rd positions of the ICE Futures Europe for the Robustas also shrank by 8.3%.



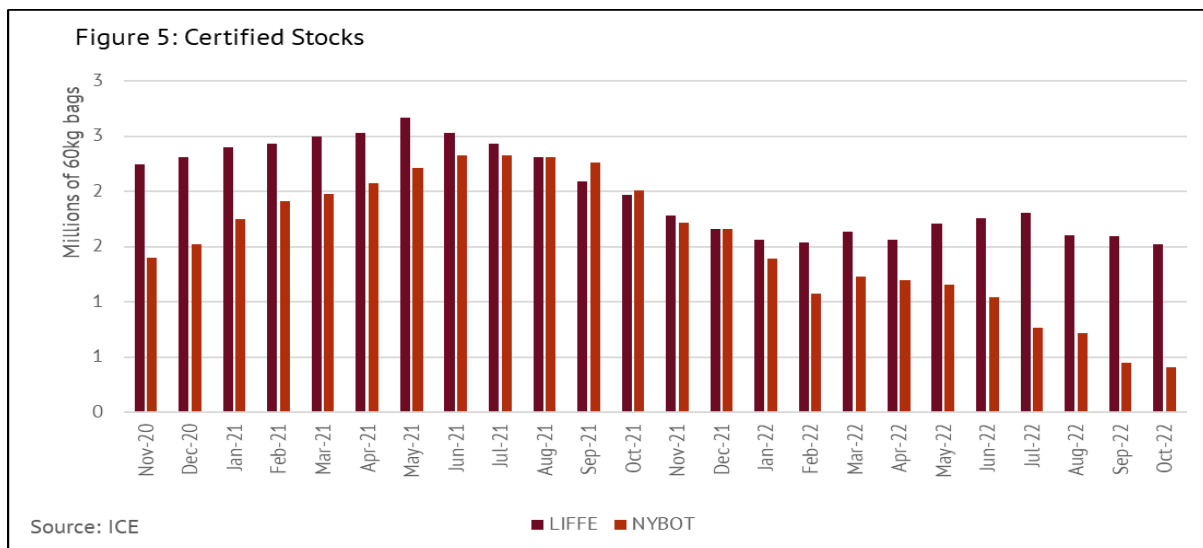
The Colombian Milds-Other Milds and the Brazilian Naturals-Robusta differential both took the hardest hit from September to October 2022, retracting 17.8% and 17.5%. The differential for the aforementioned period shrank from 26.60 to 21.87 US cents/lb and 108.23 to 89.25 US cents/lb. The Colombian Milds-Brazilian Naturals differential declined by 6.5% to 69.68 US cents/lb in October 2022. The Colombian Milds-Robustas differential shrank by 13.0% to 158.94 US cents/lb. The strongest differential amongst all groups is the Other Milds-Brazilian Naturals differential, declining only 0.2%, to 47.82 US cents/lb. Lastly, the Other Milds-Robustas differential lost 12.2% from September to October 2022. The average monthly differential stood at 137.07 US cents/lb, down from 156.13 in September 2022.

The arbitrage between the New York and London Futures markets shrank by 15.4%, falling to 99.56 US Cents/lb in October 2022 from 117.74 US cents/lb in September 2022 as the price decline was more marked for Arabica than Robusta, marking a reversal of the previous trend.



Intra-day volatility of the I-CIP decreased 1.2 percentage points between September and October 2022, reaching a low of 7.1%. Robustas and the London futures market presented the lowest volatility amongst all group indicators, at 5.8% and 5.7%, respectively, in October 2022. The Brazilian Naturals volatility was the highest amongst the group indicators, averaging 9.6%, a 1.3 percentage point decrease from the previous month. The variation in volatility of the Colombian Milds and Other Milds for September to October 2022 is -0.6 to 7.4% and -1.0 to 7.6%, respectively. The New York futures market remained the most volatile, albeit posting a decrease of 1.4 percentage points, averaging 9.8% for the month of October 2022.

The New York certified stocks decreased 9.3% from the previous month, closing in at 0.41 million bags, whilst certified stocks of Robusta coffee reached 1.52 million bags, representing a decrease of 4.3%.



Export by Coffee Groups

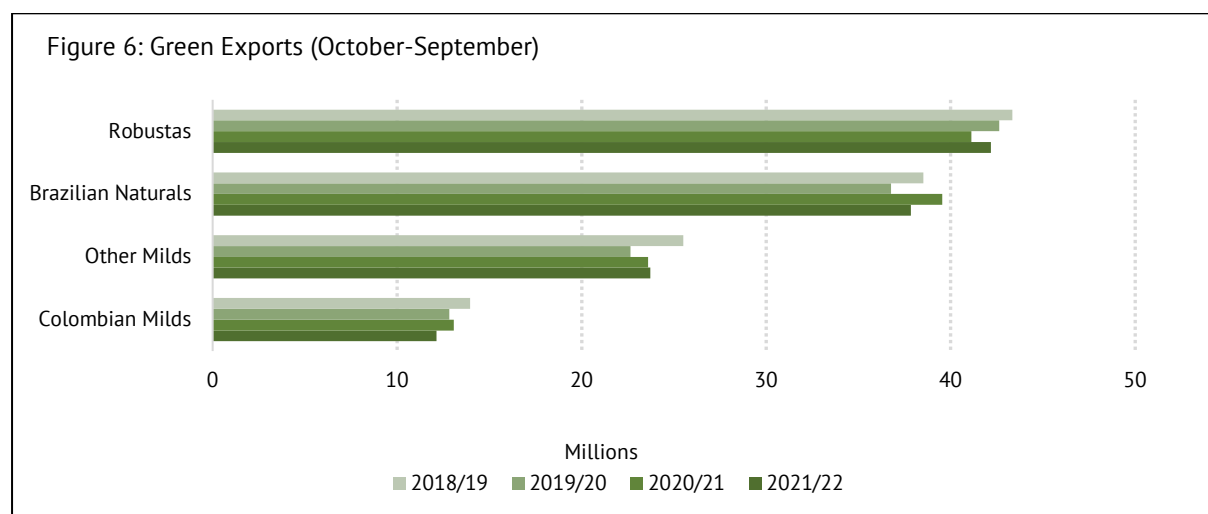
Global exports of green beans were down 1.1% in coffee year 2021/22, totalling 116.07 million bags from 117.32 million bags in coffee year 2020/21. This marks the third largest annual exports in volume on record, with the biggest ever exports having been seen in coffee year 2018/19 when 121.32 million bags of green beans were shipped. Fundamentally, the decrease in green bean exports is a reflection of reduced world coffee production, which is estimated to be down 2.1% to 167.17 million bags for coffee year 2021/22, as compared with an estimated 170.83 million bags in coffee year 2020/21.

The performances of the four groupings were varied in coffee year 2021/22, with the Brazilian Naturals and Colombian Milds down and the Other Milds and Robustas up. The exports of the Brazilian Naturals were down by 4.3% to 37.83 million bags in coffee year 2021/22 from 39.54 million bags in coffee year 2020/21. The downturn was driven by Brazil, the biggest producer and exporter of the Brazilian Naturals, with its total green bean exports decreasing by 12.5% in coffee year 2021/22. An estimated smaller crop harvested during its Arabica “off-season” and issues with containers and shipping reported earlier in the coffee year are, in turn, the main reasons behind Brazil’s poor performance.

Exports of the Colombian Milds decreased by 7.1% in coffee year 2021/22, falling to 12.14 million bags from 2022 from 13.07 million bags in the previous coffee year. This is the lowest volume of exports since 2015, when total shipments of green beans totalled 12.78 million bags. The main origin contributing to the overall drop for the group can be traced to Colombia, the biggest producer and exporter of the Colombian Milds, with the country’s exports falling to 10.84 million bags, the lowest level since 2014. The fall in Colombia’s exports is linked to unfavourable weather conditions, reducing the available coffee supply in the country, with the total output estimated to be down 13% in coffee year 2021/22 to 11.68 million bags.

Shipments of the Other Milds increased by 1.3% in coffee year 2021/22, rising to 23.9 million bags from 23.59 million bags in the previous coffee year. The small uptick in the exports of the Other Milds was mainly the result of a confluence of struggles between Honduras and Guatemala, the first and third largest exporters of the Other Milds, and Peru and Nicaragua, the second and fourth largest exporters of the Other Milds which both recorded a stellar performance. In Honduras, the coffee industry has been struggling with leaf-rust that hit the industry’s harvests, while Guatemala has been dealing with impact of a lower production, due mainly to climatic reasons and availability of labour, which lowered the exports by 7.6% and 20.0%, respectively, to 3.41 million bags and 4.7 million bags. For Nicaragua, coffee year 2021/22 has been a record year, as it shipped 2.87 million bags of green beans, the highest level on record, while for Peru total exports of green beans were 4.58 million bags, the second highest on record, just behind the 4.69 million bags shipped in coffee year 2011/12.

Exports of the Robustas totalled 42.2 million bags in coffee year 2021/22, up 2.6% as compared with 41.12 million bags in coffee year 2020/21. Vietnam and India were the two main positive highlights for coffee year 2021/22 for the Robustas, with the respective exports of green beans increasing by 15.1% and 26.1% to 26.78 million bags and 5.01 million bags. Burundi and Uganda were the two main negative highlights, with their respective exports of green beans decreasing by 62.1% and 10.0% to 134,000 bags and 5.85 million bags.



Export by Regions

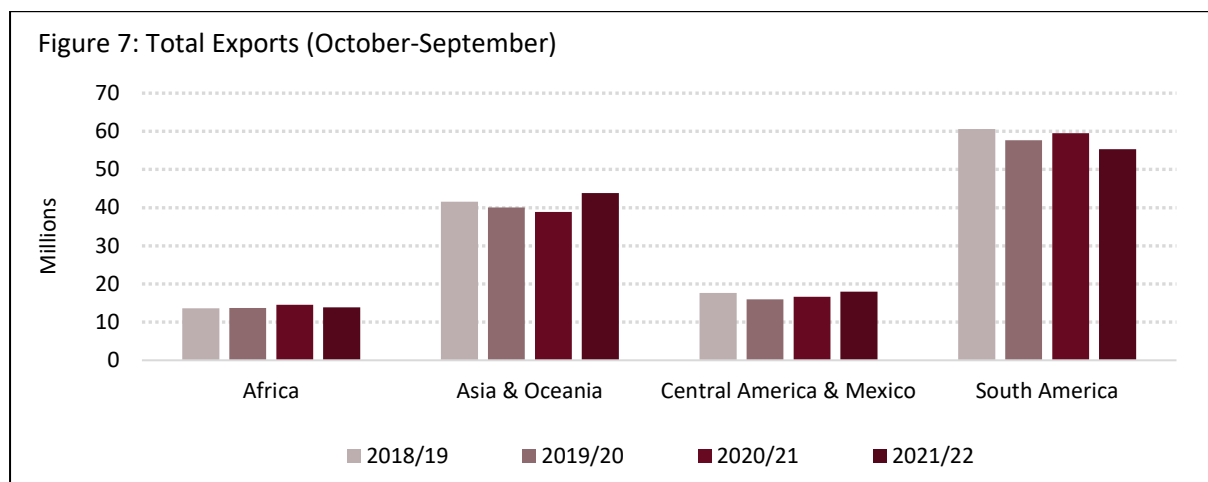
In October 2021 to September 2022, South America’s exports of all forms of coffee decreased by 7.1% to 55.31 million bags. Brazil is the reason for the drop in exports, with shipments from the country declining by 11.4% to 38.12 million bags. This is the first time since 2017 that Brazil’s annual exports of all forms of coffee have fallen below the 40 million bags mark. As explained earlier in this Report, a smaller crop harvested during its Arabica “off-season” and problems with containers and shipping explain the large drop in exports in Brazil.

Exports of all forms of coffee from Asia & Oceania increased by 12.8% to 43.86 million bags in coffee year 2021/22. Vietnam’s exports increased by 14.8% to 28.19 million bags from

24.56 million bags in coffee year 2020/21, which made the region’s biggest producer and exporter also the single largest absolute contributor to Asia & Oceania’s strong gains in exports in coffee year 2021/22. India’s exports of all forms of coffee jumped 21.7% in coffee year 2021/22, rising to 7.24 million bags from 5.95 million bags in coffee year 2020/21. Indonesia, the third largest producer and exporter of the region, saw its exports of all forms of coffee increase marginally to 6.92 million bags in coffee year 2021/22 from 6.82 million bags in the previous coffee year.

Exports of all forms of coffee from Africa decreased by 5.1% to 13.73 million bags in coffee year 2021/22 from 14.48 million bags in the previous coffee year. As explained earlier within this Report, Burundi and Uganda were the two main contributors to the region’s downturn. Uganda’s decrease in exports is explained by the impact of drought in most of the coffee growing regions, which led to a shorter main harvest season in central and eastern parts of Uganda, and hence lower output and exports. Ethiopia, the second largest producer and exporter of the region, saw its exports of all forms of coffee increase marginally to 4.02 million bags in coffee year 2021/22 from 3.98 million bags in the previous coffee year.

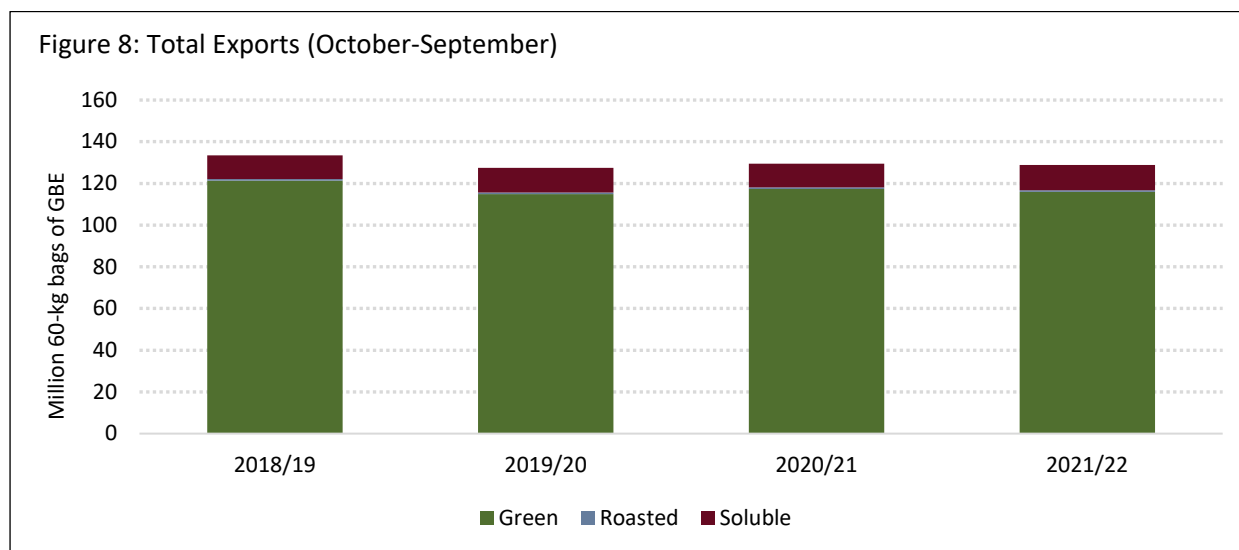
In October 2021 to September 2022, exports of all forms of coffee from Mexico & Central America were down 3.3% to 16.09 million bags as compared with 16.63 million in coffee year 2020/21. Honduras was the single largest contributor to the region’s downturn, with the country’s exports of all forms of coffee down 20.0%, a loss of 1.17 million bags versus the volume shipped in coffee year 2020/21. Costa Rica and Guatemala were the next two biggest contributors, with their absolute decreases recorded at 50,576 bags and 280,445 bags, respectively.



Export by Forms of Coffee

Total exports of soluble coffee increased by 6.1% in coffee year 2021/22 to 12.1 million bags from 11.4 million bags in coffee year 2020/21. The share of soluble coffee of the total exports of all forms of coffee was 9.4% for the year, the highest on record. Brazil was the largest exporter of soluble coffee, shipping 3.89 million bags, followed by India with 2.22 million bags, with Indonesia in third place at 1.66 million bags exported in coffee year 2021/22.

Exports of roasted beans increased by 5.0% in coffee year 2021/22 to 0.82 million bags.



Production and Consumption

The estimated outlook for total production in coffee year 2021/22 remains unchanged at 167.2 million bags, a 2.1% decrease as compared to 170.83 million bags in the previous coffee year. World coffee consumption was projected to grow by 3.3% to 170.3 million 60-kg bags in 2021/22 as compared to 164.9 million for coffee year 2020/21. In 2021/22, consumption was expected to exceed production by 3.1 million bags.

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

	ICO Composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York*	London*
Monthly averages							
Nov-21	195.17	279.56	258.95	218.90	109.40	223.94	100.30
Dec-21	203.06	290.57	267.71	230.26	112.76	234.14	104.14
Jan-22	204.29	294.93	271.08	233.80	109.71	236.13	101.06
Feb-22	210.89	306.36	279.83	245.05	109.44	245.38	100.58
Mar-22	194.78	285.81	258.49	222.03	103.82	222.44	95.21
Apr-22	198.37	292.64	265.40	226.11	103.96	225.37	95.07
May-22	193.71	286.44	260.42	217.84	103.10	218.61	94.31
Jun-22	202.46	301.57	273.69	230.40	103.81	229.38	94.48
Jul-22	190.82	286.07	255.91	214.80	100.44	210.84	89.60
Aug-22	200.11	295.66	268.43	221.91	109.65	218.53	98.75
Sep-22	199.63	294.09	267.49	219.59	111.36	218.24	100.49
Oct-22	178.54	261.95	240.08	192.27	103.01	191.72	92.16
% change between Sep-22 and Oct-22							
	-10.6%	-10.9%	-10.2%	-12.4%	-7.5%	-12.1%	-8.3%
Volatility (%)							
Sep-22	8.3%	8.0%	8.6%	10.9%	7.3%	11.2%	7.0%
Oct-22	7.1%	7.4%	7.6%	9.6%	5.8%	9.8%	5.7%
Variation between Sep-22 and Oct-22							
	-1.2	-0.6	-1.0	-1.3	-1.5	-1.4	-1.3

* Average prices 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*
Oct-21	17.81	58.89	153.63	41.08	135.82	94.74	109.69
Nov-21	20.61	60.66	170.16	40.05	149.55	109.50	123.64
Dec-21	22.86	60.31	177.81	37.45	154.95	117.50	130.00
Jan-22	23.85	61.13	185.22	37.28	161.37	124.09	135.07
Feb-22	26.52	61.30	196.92	34.78	170.39	135.61	144.80
Mar-22	27.33	63.79	181.99	36.46	154.66	118.21	127.23
Apr-22	27.24	66.53	188.68	39.28	161.44	122.15	130.30
May-22	26.02	68.60	183.34	42.57	157.32	114.75	124.30
Jun-22	27.88	71.18	197.76	43.29	169.88	126.59	134.90
Jul-22	30.16	71.27	185.63	41.10	155.46	114.36	121.24
Aug-22	27.23	73.75	186.01	46.52	158.78	112.26	119.79
Sep-22	26.60	74.50	182.74	47.90	156.13	108.23	117.74
Oct-22	21.87	69.68	158.94	47.82	137.07	89.25	99.56
% change between Sep-22 and Oct-22							
	-17.8%	-6.5%	-13.0%	-0.2%	-12.2%	-17.5%	-15.4%

* Average prices for 2nd and 3rd positions

Table 3: World Supply/Demand Balance

Coffee year commencing	2017	2018	2019	2020*	2021*	% change 2020/21
PRODUCTION	167,806	170,195	168,902	170,830	167,170	-2.1%
Arabica	98,128	99,855	97,014	101,157	93,970	-7.1%
Robusta	69,678	70,340	71,889	69,674	73,200	5.1%
Africa	17,404	18,510	18,666	19,331	19,270	-0.3%
Asia & Oceania	52,203	48,108	49,427	48,016	51,433	7.1%
Mexico & Central America	21,752	21,640	19,598	19,674	18,993	-3.5%
South America	76,453	81,934	81,214	83,812	77,473	-7.6%
CONSUMPTION	160,006	166,730	162,998	164,865	170,298	3.3%
Exporting countries	48,586	49,423	49,370	49,967	50,322	0.7%
Importing countries (Coffee Years)	111,421	117,307	113,629	114,898	119,975	4.4%
Africa	10,810	12,033	11,101	11,449	11,721	2.4%
Asia & Oceania	35,129	36,227	36,350	39,657	40,834	3.0%
Mexico & Central America	5,273	5,431	5,346	5,381	5,399	0.3%
Europe	53,527	55,452	53,949	51,983	54,206	4.3%
North America	29,939	31,789	30,581	30,292	31,913	5.4%
South America	25,829	26,324	26,321	26,603	26,724	0.5%
BALANCE	7,799	3,465	5,904	5,965	-3,128	

*preliminary estimates

Table 4: Total exports by exporting countries

	Sep-21	Sep-22	% change	Year to Date Coffee Year		
				2020/21	2021/22	% change
TOTAL	10,263	9,946	-3.1%	129,508	128,986	-0.4%
Arabicas	6,302	6,390	1.4%	82,535	80,634	-2.3%
Colombian Milds	1,168	925	-20.8%	14,152	13,317	-5.9%
Other Milds	1,998	1,923	-3.7%	26,015	26,690	2.6%
Brazilian Naturals	3,136	3,541	12.9%	42,368	40,627	-4.1%
Robustas	3,962	3,556	-10.2%	46,974	48,352	2.9%

In thousand 60-kg bags

Monthly trade statistics 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**

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
New York	1.71	1.66	1.39	1.08	1.23	1.20	1.16	1.04	0.77	0.72	0.45	0.41
London	1.78	1.66	1.57	1.54	1.63	1.56	1.71	1.76	1.80	1.61	1.59	1.52

In million 60-kg bags

Explanatory Note for Table 3

For each year, the Secretariat uses statistics received from Members to provide estimates and forecasts for annual production, consumption, trade and stocks. As noted in paragraph 100 of document [ICC 120-16](#), these statistics can be supplemented and complemented by data from other sources when information received from Members is incomplete, delayed or inconsistent. The Secretariat also considers multiple sources for generating supply and demand balance sheets for non-Members.

The Secretariat uses the concept of the marketing year, that is the coffee year commencing on 1 October of each year, when looking at the global supply and demand balance. Coffee-producing countries are located in different regions around the world, with various crop years, i.e. the 12-month period from one harvest to the next. The crop years currently used by the Secretariat commence on 1 April, 1 July and 1 October. To maintain consistency, the Secretariat converts production data from a crop year basis to a marketing year basis depending on the harvest months for each country. Using a coffee year basis for the global coffee supply and demand, as well as prices, ensures that analysis of the market situation occurs within the same time period.

For example, the 2018/19 coffee year began on 1 October 2018 and ended 30 September 2019. However, for producers with crop years commencing on 1 April, the crop year production occurs across two coffee years. Brazil's 2018/19 crop year began on 1 April 2018 and finished 31 March 2019, covering the first half of coffee year 2018/19. However, Brazil's 2019/20 crop year commenced 1 April 2019 and ended 31 March 2020, covering the latter half of coffee year 2019/20. In order to bring the crop year production into a single coffee year, the Secretariat would allocate a portion of the April–March 2018/19 crop year production and a portion of the April–March 2019/20 production into 2018/19 coffee year production.

It should be noted that while estimates for coffee year production are created for each individual country, these are made for the purpose of creating a consistent aggregated supply-demand balance for analytical purposes and does not represent the production occurring on the ground within the individual countries.

Note:

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