INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

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LETTER FROM THE EXECUTIVE DIRECTOR

COFFEE MARKET REPORT

May 2010

Prices recorded a slight increase in May with the monthly average of the ICO composite indicator price up from 126.89 US cents per lb in April to 128.1 US cents per lb. Price volatility decreased somewhat with the exception of indicator prices for Robustas. The differential between Colombian Milds and Other Milds narrowed by 10.6% in May compared to April, indicating a continued increase in demand for Other Milds to offset the reduced supplies of Colombian Milds.

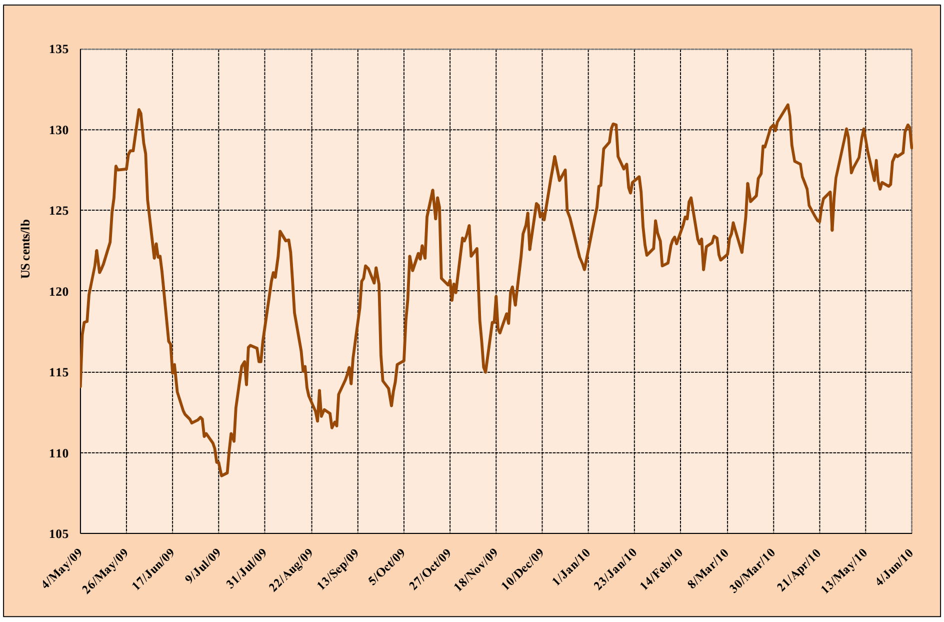
With regard to production for crop year 2010/11, which is a high output year in the biennial Arabica production cycle in Brazil, information received from other Member countries indicates that some are expecting production increases. On the basis of this information, my initial estimate of production for crop year 2010/11 is between 133 and 135 million bags.

With the continued fall in stock levels, however, output needs to be high enough to permit the replenishment of stocks while at the same time satisfying world consumption requirements.

The end of May and the first days of June were marked by the passage of tropical storm Agatha in Central America, particularly affecting Guatemala, Honduras and El Salvador. The storm left a high death toll as well as considerable damage to economic infrastructures. Its impact on the coffee industry is still being assessed but it is feared that intense humidity will cause an increase in coffee diseases and the rapid development of parasites.

Exports by all exporting countries during April totalled 8.3 million bags compared to 8.6 million bags in April 2009. The cumulative total for the first seven months of coffee year 2009/10 (October 2009 – April 2010) was 53.3 million bags, a fall of 8.1% compared to the figure for the same period in coffee year 2008/09.

Graph 1: Daily composite indicator prices
4 May 2009 – 4 June 2010



Price movements

The monthly average of the **ICO composite indicator price** was 128.1 US cents per lb compared to 126.89 US cents per lb in April, representing an increase of nearly 1% (Table 1). Graph 1 shows changes in the ICO daily composite indicator price since 4 May 2009. There was a relatively significant increase in prices of **Other Milds** while prices of **Robustas** fell back slightly (Graph 2). The differential between **Colombian Milds** and Other Milds has narrowed substantially (Table 2). Graph 3 shows changes in the differentials between Colombian Milds and the other three coffee groups since January 2009.

Graph 2: Group indicator prices
4 May 2009 – 4 June 2010

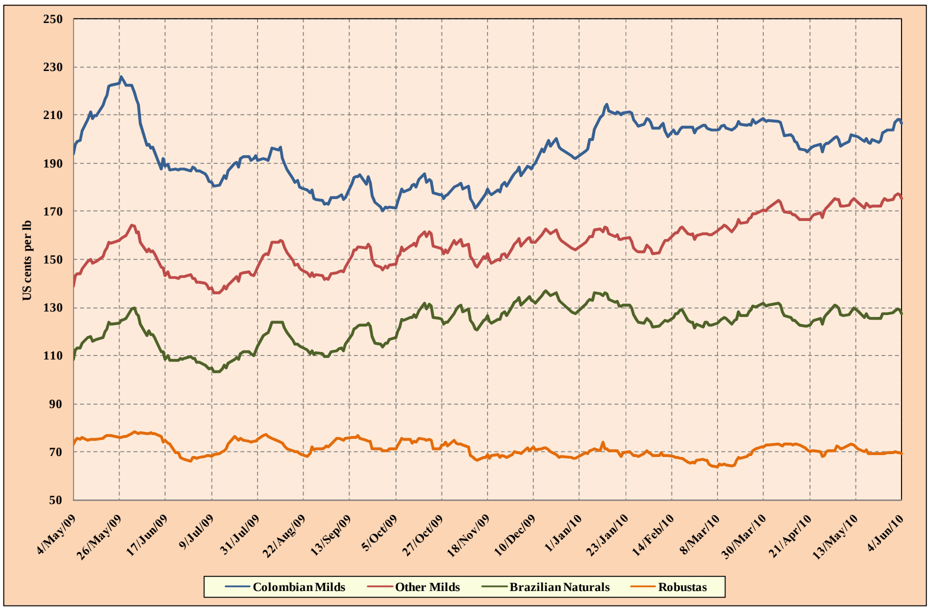


Table 1: ICO daily indicator prices and futures prices (US cents per lb) – May 2010

	ICO composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York*	London*
May-10							
03-May	129.48	200.51	175.02	130.72	70.41	139.22	
04-May	130.07	201.03	174.84	130.44	72.32	138.18	63.25
05-May	129.51	199.70	174.75	129.73	71.87	138.00	62.94
06-May	127.33	197.11	171.81	126.72	71.10	133.90	62.10
07-May	127.64	197.71	171.94	126.63	71.78	134.63	62.96
10-May	128.28	199.02	172.35	126.76	72.77	134.90	63.57
11-May	129.52	201.90	173.77	128.09	73.18	136.88	64.21
12-May	130.08	201.39	175.25	129.62	72.66	137.58	64.61
13-May						137.83	64.39
14-May	128.72	200.94	173.53	128.29	71.19	135.05	63.21
17-May	126.85	199.06	171.23	125.79	70.16	133.28	62.10
18-May	128.11	200.23	173.20	127.13	70.91	134.93	62.85
19-May	126.77	198.68	172.20	125.92	69.30	134.55	61.37
20-May	126.34	198.07	171.44	125.34	69.30	133.75	61.33
21-May	126.76	199.93	172.02	125.53	69.24	134.47	61.33
24-May	126.48	198.68	172.01	125.27	69.15	134.40	61.14
25-May	126.60	199.57	172.14	125.23	69.12	135.00	61.17
26-May	128.06	202.54	173.90	127.20	69.33	135.97	61.33
27-May	128.46	203.08	174.99	127.31	69.47	137.10	61.42
28-May	128.36	203.82	174.23	127.22	69.50	136.60	61.51
31-May	128.57	203.59	174.88	127.53	69.48	Holiday	Holiday
May-10	**128.10**	**200.33**	**173.28**	**127.32**	**70.61**	**135.81**	**62.46**
2009							
May	123.05	212.05	150.99	118.40	75.62	131.43	69.00
June	119.05	196.32	149.79	115.42	73.79	129.39	66.58
July	112.90	187.29	140.90	107.80	71.68	122.42	64.98
August	117.45	185.39	149.76	116.86	72.35	132.05	65.47
September	116.40	177.45	148.53	116.16	73.82	131.33	66.77
October	121.09	178.13	154.57	124.62	73.51	140.77	66.74
November	119.67	178.33	152.21	126.17	69.48	140.33	62.84
December	124.96	192.11	158.16	132.84	69.89	144.08	62.80
2010							
January	126.85	207.51	158.90	131.67	70.08	142.76	62.66
February	123.37	204.71	157.86	124.57	67.88	134.35	60.37
March	125.30	205.71	164.50	126.21	67.25	134.97	58.64
April	126.89	199.50	169.24	125.71	71.52	135.12	62.21
May	128.10	200.33	173.28	127.32	70.61	135.81	62.46
% change between May-10 and Apr-10							
	0.95	0.42	2.38	1.28	-1.27	0.51	0.41
% change between May-10 and May-09							
	4.10	-5.53	14.76	7.54	-6.62	3.33	-9.47
% change between May-10 and 2009 averages							
	10.75	12.91	20.46	10.40	-5.32	5.77	-7.72
volatility (%)							
May-09	3.86	4.69	4.32	5.05	3.76	5.58	3.67
Jun-09	5.19	7.44	6.09	7.82	6.71	9.21	9.15
Jul-09	4.75	4.68	5.12	5.76	6.23	7.27	6.29
Aug-09	4.56	4.78	4.84	5.54	5.93	7.51	6.93
Sep-09	6.18	6.64	6.12	7.33	6.81	9.00	7.61
Oct-09	6.43	5.34	6.48	7.49	7.72	8.61	8.22
Nov-09	6.81	5.86	6.96	8.18	7.02	8.54	8.95
Dec-09	4.94	5.70	5.07	5.96	5.51	7.03	6.40
Jan-10	3.89	4.76	4.13	4.78	7.82	5.53	4.94
Feb-10	4.06	3.83	4.37	5.85	4.59	6.43	4.59
Mar-10	3.41	2.57	3.23	4.69	6.00	5.69	7.22
Apr-10	3.76	3.62	3.75	5.00	5.01	5.00	5.22
May-10	**3.60**	**3.43**	**3.46**	**4.43**	**5.28**	**4.90**	**4.81**
Change between May-10 and Apr-10	**-4.38**	**-5.14**	**-7.78**	**-11.43**	**5.39**	**-2.00**	**-7.96**

*Average of the 2nd and 3rd positions

Table 2: Price differentials

	Colombian Milds Other Milds	Colombian Milds Brazilian Naturals	Colombian Milds Robustas	Colombian Milds New York*	Other Milds Brazilian Naturals	Other Milds Robustas	Brazilian Naturals Robustas	New York* London*
Jan-09	14.02	33.14	59.58	22.57	19.12	45.56	26.44	43.87
Feb-09	15.07	36.86	64.33	27.26	21.79	49.26	27.47	44.03
Mar-09	25.64	51.35	77.85	40.69	25.71	52.21	26.50	44.08
Apr-09	46.22	75.15	105.57	62.62	28.93	59.35	30.42	49.89
May-09	61.06	93.65	136.43	80.62	32.59	75.37	42.78	62.43
Jun-09	46.53	80.90	122.53	66.93	34.37	76.00	41.63	62.81
Jul-09	46.39	79.49	115.61	64.87	33.10	69.22	36.12	57.44
Aug-09	35.63	68.53	113.04	53.34	32.90	77.41	44.51	66.58
Sep-09	28.92	61.29	103.63	46.12	32.37	74.71	42.34	64.57
Oct-09	23.56	53.51	104.62	37.36	29.95	81.06	51.11	74.03
Nov-09	26.13	52.17	108.85	38.01	26.04	82.72	56.69	77.49
Dec-09	33.95	59.27	122.22	48.03	25.32	88.27	62.95	81.28
Jan-10	48.61	75.84	137.43	64.75	27.23	88.82	61.59	80.10
Feb-10	46.85	80.14	136.83	70.36	33.29	89.98	56.69	73.98
Mar-10	41.21	79.50	138.46	70.74	38.29	97.25	58.96	76.33
Apr-10	30.26	73.78	127.97	64.38	43.53	97.72	54.19	72.91
May-10	27.05	73.00	129.72	64.52	45.95	102.66	56.71	73.35
% change between May-10 and Apr-10	**-10.59%**	**-1.06%**	**1.36%**	**0.22%**	**5.57%**	**5.06%**	**4.65%**	**0.60%**

* Average of the 2nd and 3rd positions

Graph 3: Differential between prices of Colombian Milds and the other three coffee groups
January 2009 – May 2010

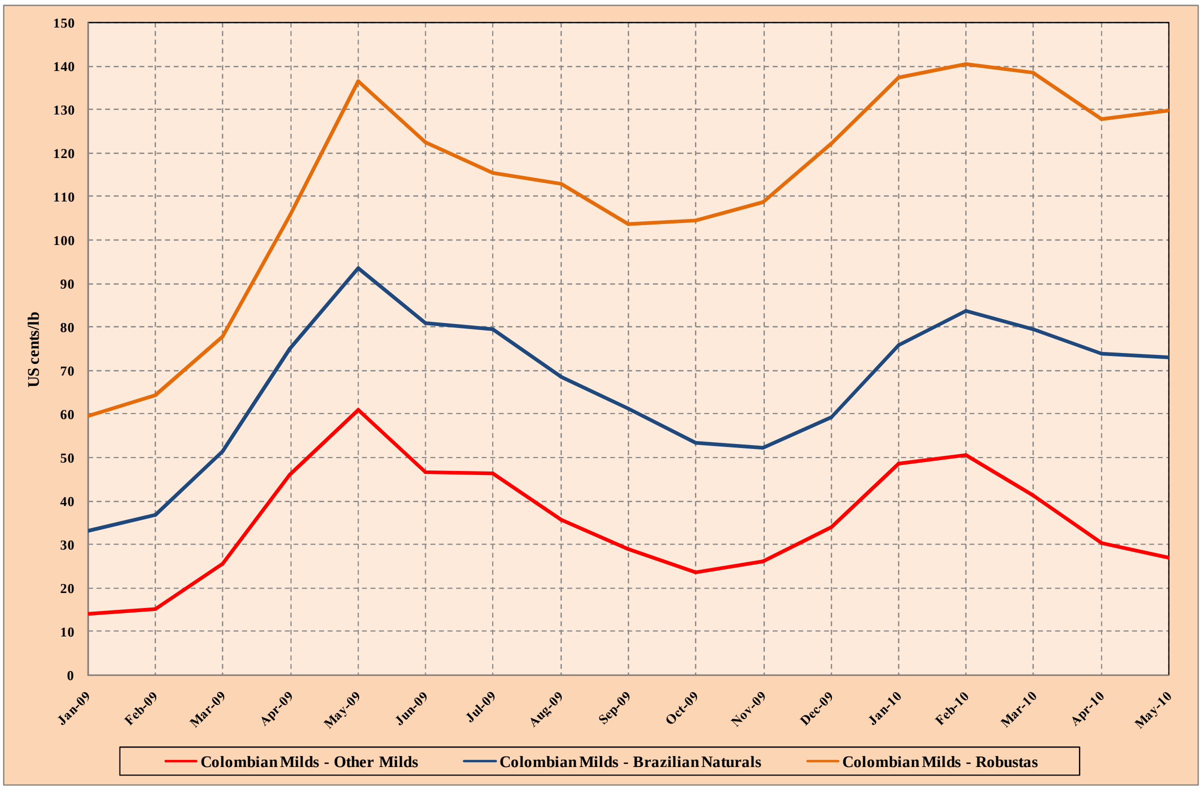


Table 3: Production in selected exporting countries

Crop year commencing	2006	2007	2008	2009	% change 2009 & 2008
TOTAL	**129 138**	**119 396**	**128 088**	**120 596**	**-5.85**
Africa	***15 385***	***15 258***	***15 196***	***13 536***	***-10.92***
Cameroon	836	795	750	690	-7.99
Côte d'Ivoire	2 847	2 598	2 353	1 850	-21.36
Ethiopia	4 636	4 906	4 350	4 500	3.45
Kenya	826	652	572	750	31.17
Tanzania	822	810	1 186	667	-43.77
Uganda	2 700	3 250	3 200	3 000	-6.26
Others	2 717	2 247	2 785	2 079	-25.34
Arabicas	*7 557*	*7 418*	*7 299*	*6 893*	-5.56
Robustas	*7 828*	*7 840*	*7 897*	*6 643*	-15.88
Asia & Oceania	***34 529***	***31 408***	***34 900***	***36 845***	***5.57***
India	5 158	4 460	4 371	4 827	10.43
Indonesia	7 483	7 777	9 350	10 632	13.70
Papua New Guinea	807	968	1 028	1 003	-2.43
Thailand	766	653	675	930	37.70
Vietnam	19 340	16 467	18 500	18 000	-2.70
Others	976	1 083	976	1 454	49.01
Arabicas	*3 836*	*4 248*	*4 365*	*4 979*	14.07
Robustas	*30 693*	*27 160*	*30 535*	*31 865*	4.36
Mexico & Central America	***16 936***	***18 295***	***17 685***	***16 602***	***-6.12***
Costa Rica	1 580	1 791	1 320	1 444	9.39
El Salvador	1 371	1 621	1 547	1 065	-31.14
Guatemala	3 950	4 100	3 785	3 500	-7.53
Honduras	3 461	3 842	3 450	3 527	2.23
Mexico	4 200	4 150	4 651	4 200	-9.69
Nicaragua	1 300	1 700	1 615	1 686	4.43
Others	1 074	1 091	1 318	1 180	-10.46
Arabicas	*16 801*	*18 170*	*17 553*	*16 473*	-6.15
Robustas	*135*	*125*	*132*	*129*	-2.26
South America	***62 288***	***54 435***	***60 307***	***53 613***	***-11.10***
Brazil	42 512	36 070	45 992	39 470	-14.18
Colombia	12 541	12 504	8 664	9 000	3.88
Ecuador	1 167	1 110	691	813	17.76
Peru	4 319	3 063	3 872	3 315	-14.39
Others	1 750	1 689	1 088	1 014	-6.77
Arabicas	*52 479*	*43 180*	*49 389*	*42 556*	-13.84
Robustas	*9 810*	*11 256*	*10 917*	*11 057*	1.27
TOTAL	**129 138**	**119 396**	**128 088**	**120 596**	**-5.85**
Colombian Milds	13 876	13 674	9 995	10 177	1.82
Other Milds	27 967	27 725	27 355	25 439	-7.00
Brazilian Naturals	38 830	31 617	41 256	35 286	-14.47
Robustas	48 466	46 380	49 481	49 694	0.43
Arabicas	80 673	73 016	78 606	70 902	-9.80
Robustas	48 466	46 380	49 481	49 694	0.43
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	
Colombian Milds	10.75	11.45	7.80	8.44	
Other Milds	21.66	23.22	21.36	21.09	
Brazilian Naturals	30.07	26.48	32.21	29.26	
Robustas	37.53	38.85	38.63	41.21	
Arabicas	62.47	61.15	61.37	58.79	
Robustas	37.53	38.85	38.63	41.21	

In thousand bags

Market fundamentals

Following the adjustment of production figures for countries whose crop years run from April to March, **total production** for crop year 2009/10 was revised downward to 120.6 million bags compared to 128.1 million bags in crop year 2008/09 (Table 3).

There has been a slight improvement in Colombian production but, on the basis of present indications, it is likely a substantial recovery can be expected only in 2010/11. Apart from the situation in South America, substantial falls were recorded in some African countries and in the Central America/Mexico region. Production in Vietnam also seems to have fallen in crop year 2009/10.

In the case of crop year 2010/11, which has already begun in a number of countries, including Brazil, Indonesia, Papua New Guinea and Peru, my estimate of production is between 133 and 135 million bags. Brazilian production in this crop year will reflect a high output of Arabicas in accordance with their biennial cycle of alternating high and low production. Increased production is also expected in Colombia following two consecutive years of low production. Production in Asia could also record a slight increase, particularly in Vietnam and India.

Exports during April totalled 8.3 million bags, bringing the total volume exported during the first seven months of coffee year 2009/10 to 53.3 million bags compared to 58 million bags for the same period in 2008/09, a fall of 8.1% (Table 4). During these first seven months of coffee year 2009/10 exports of Other Milds increased compared to the same period in 2008/09 but exports of the other three coffee groups recorded significant falls, particularly in the case of Colombian Milds, which fell by 26.5%.

Table 4: Total exports of all forms of coffee (October – April 2008/09 and 2009/10)

	2008/09	2009/10	% change
TOTAL	**57 978**	**53 284**	**-8.10**
Colombian Milds	6 756	4 965	-26.51
Other Milds	11 877	12 001	1.04
Brazilian Naturals	18 882	17 446	-7.60
Robustas	20 463	18 873	-7.77
Arabicas	37 514	34 412	-8.27
Robustas	20 463	18 873	-7.77
Angola	4	1	-71.09
Benin	0	0	
Bolivia	45	50	11.11
Brazil	19 308	17 615	-8.77
Burundi	301	74	-75.32
Cameroon	204	288	41.59
Central African Republic	15	15	-0.02
Colombia	5 939	4 234	-28.71
Congo, Dem. Rep. of	84	98	16.26
Congo, Rep. of	0	0	
Costa Rica	817	556	-31.94
Côte d'Ivoire	675	1 065	57.65
Cuba	4	4	-9.37
Dominican Republic	49	24	-51.28
Ecuador	498	611	22.62
El Salvador	781	728	-6.79
Ethiopia	794	972	22.54
Gabon	0	1	
Ghana	10	9	-6.44
Guatemala	1 797	1 875	4.36
Guinea	131	167	27.60
Haiti	10	2	-78.25
Honduras	1 653	1 998	20.88
India	1 778	2 475	39.17
Indonesia	2 822	3 165	12.17
Jamaica	11	8	-31.22
Kenya	328	342	4.41
Madagascar	48	52	9.55
Malawi	14	6	-59.29
Mexico	1 546	1 610	4.09
Nicaragua	732	943	28.95
Nigeria	2	0	-100.00
Panama	42	26	-38.57
Papua New Guinea	468	534	13.99
Paraguay	1	0	-73.57
Peru	1 811	1 509	-16.66
Philippines	5	3	-26.08
Rwanda	236	147	-37.55
Tanzania	741	491	-33.79
Thailand	105	118	12.89
Togo	66	103	56.65
Uganda	1 857	1 606	-13.53
Venezuela	9	3	-65.67
Vietnam	11 983	9 531	-20.46
Zambia	22	22	0.93
Zimbabwe	13	10	-16.77
Other exporting countries 1/	221	192	-13.12

In thousand bags
1/ Equatorial Guinea, Guyana, Laos, Liberia, Sierra Leone, Sri Lanka, Timor-Leste, Trinidad and Tobago and Yemen

Cumulative exports in calendar year 2009 are estimated at 95.5 million bags compared to 97.7 million bags in 2008. The value of these exports is estimated at US$13.6 billion in 2009 compared to US$15.4 billion in 2008 (Table 5). Data on the value of exports indicate a reduction in the unit price during calendar year 2009 compared to 2008. More specifically, the estimated value of exports of both Brazilian Naturals and Robustas in calendar year 2009 is lower than in 2008 despite the increased volume of exports.

Table 5: Volume and value of annual exports (Calendar years 2006 – 2009)

	2006	2007	2008	2009*
Colombian Milds				
- Volume	12.02	12.69	12.22	9.27
- Value	1.87	2.12	2.38	1.94
Other Milds				
- Volume	21.40	21.00	22.50	20.90
- Value	3.02	3.22	3.99	4.05
Brazilian Naturals				
- Volume	28.51	28.83	28.75	30.03
- Value	3.59	4.08	4.72	4.35
Robustas				
- Volume	30.36	34.12	34.20	35.26
- Value	2.38	3.37	4.28	3.30
Total				
- Volume	92.29	96.64	97.66	95.46
- Value	10.85	12.78	15.38	13.64

Volume in million bags – value in billion US$
* Volume: Preliminary
* Value: Estimated

World consumption in calendar year 2009 is estimated at 132 million bags compared to 130 million bags in 2008 (Table 6). World consumption has been relatively buoyant for a number of years. Should this continue, my preliminary estimate for 2010 indicates a level of around 134 million bags.

Table 6: World consumption (Calendar years 2005 – 2009)

	2005	2006	2007	2008	2009*	% share in 2009
WORLD TOTAL	**119 938**	**123 523**	**128 146**	**130 109**	**132 000**	**100.00**
Producing Countries	***31 848***	***33 500***	***35 367***	***36 703***	***37 705***	***28.56***
Brazil	15 392	16 133	16 927	17 526	18 208	13.79
Indonesia	2 375	2 750	3 208	3 333	3 333	2.53
Mexico	1 556	1 794	2 050	2 200	2 200	1.67
Ethiopia	1 833	1 833	1 833	1 833	1 833	1.39
Venezuela	1 412	1 472	1 534	1 599	1 649	1.25
India	1 272	1 357	1 438	1 518	1 573	1.19
Colombia	1 400	1 400	1 400	1 400	1 400	1.06
Vietnam	722	829	938	1 021	1 208	0.92
Philippines	917	917	989	1 070	1 080	0.82
Others	4 969	5 015	5 052	5 202	5 221	3.96
Importing Countries	***88 090***	***90 023***	***92 779***	***93 406***	***94 295***	***71.44***
European Union	***39 277***	***40 951***	***40 659***	***39 783***	***38 621***	***29.26***
Germany	8 665	9 151	8 627	9 535	8 897	6.74
Italy	5 552	5 593	5 821	5 892	5 835	4.42
France	4 787	5 278	5 628	5 152	5 563	4.21
Spain	3 007	3 017	3 198	3 485	3 352	2.54
United Kingdom	2 680	3 059	2 824	3 067	3 221	2.44
Sweden	1 170	1 315	1 244	1 272	1 133	0.86
Finland	1 102	1 047	1 057	1 115	1 058	0.80
Greece	870	857	1 015	978	974	0.74
Poland	2 267	1 953	1 531	1 190	970	0.73
Others	9 176	9 683	9 715	8 097	7 618	5.77
USA	20 998	20 667	21 033	21 652	21 434	16.24
Japan 1/	7 128	7 268	7 282	7 065	7 350	5.57
Other Importing Countries	***20 688***	***21 137***	***23 805***	***24 906***	***26 891***	***20.37***
Canada	2 794	3 066	3 245	3 210	3 292	2.49
Russian Federation	3 212	3 263	4 055	3 716	3 131	2.37
Algeria	1 892	1 836	1 968	2 118	2 066	1.57
Ukraine	1 025	968	1 057	1 733	1 460	1.11
Korea, Republic of	1 394	1 437	1 425	1 665	1 551	1.17
Australia	1 039	992	1 031	1 145	1 223	0.93
Others	9 331	9 575	11 024	11 321	14 168	10.73

In thousand bags
* Provisional
1/ Includes estimates for 2009

Table 7: Per capita consumption (in kilogrammes) in selected exporting and importing countries (Calendar years 2005 – 2009)

	2005	2006	2007	2008	2009*
Exporting countries					
Brazil	4.96	5.14	5.34	5.48	5.69
Honduras	2.00	1.96	2.41	3.77	3.77
Venezuela	3.17	3.25	3.33	3.41	3.52
Costa Rica	5.04	4.77	4.19	3.54	3.16
Dominican Republic	2.38	2.35	2.31	2.28	2.28
El Salvador	1.78	2.05	2.20	2.25	2.25
Nicaragua	2.09	2.06	2.04	2.01	2.22
Haiti	2.17	2.13	2.10	2.06	2.06
Colombia	1.95	1.92	1.89	1.87	1.87
Guatemala	1.42	1.38	1.35	1.35	1.47
Madagascar	1.59	1.55	1.51	1.47	1.47
Ethiopia	1.47	1.44	1.40	1.36	1.36
Mexico	0.89	1.01	1.14	1.22	1.22
Panama	1.24	1.22	1.20	1.18	1.18
Cuba	1.20	1.20	1.20	1.16	1.15
Côte d'Ivoire	0.99	0.97	0.94	0.92	0.92
Indonesia	0.65	0.74	0.86	0.88	0.88
Vietnam	0.52	0.58	0.65	0.70	0.83
Philippines	0.64	0.63	0.67	0.71	0.72
Ecuador	0.69	0.68	0.67	0.67	0.67
Importing countries					
Algeria	3.45	3.30	3.49	3.70	3.61
Australia	3.06	2.88	2.97	3.26	3.48
Canada	5.19	5.64	5.91	5.79	5.94
European Union 1/	***4.81***	***5.00***	***4.95***	***4.82***	***4.68***
Austria	5.63	4.44	6.11	6.53	6.37
Belgium	6.67	8.81	6.29	3.68	5.29
Bulgaria	3.33	3.28	2.86	3.52	3.24
Cyprus	4.97	3.92	4.89	5.39	5.26
Czech Republic	3.86	3.70	3.97	3.61	3.05
Denmark	8.80	9.09	8.52	7.63	7.90
Estonia	6.43	7.42	4.53	6.89	5.53
Finland	12.62	11.94	12.01	12.62	11.98
France	4.71	5.16	5.47	4.98	5.38
Germany	6.31	6.66	6.29	6.95	6.49
Greece	4.72	4.63	5.48	5.27	5.25
Hungary	3.39	3.57	3.12	2.96	2.67
Ireland	3.19	2.85	3.36	1.56	1.82
Italy	5.68	5.69	5.89	5.93	5.87
Latvia	3.78	4.76	3.46	3.06	2.34
Lithuania	3.39	3.78	4.11	3.68	3.77
Malta	2.44	4.22	2.33	3.33	2.07
Netherlands	7.08	7.79	8.36	4.80	3.36
Poland	3.56	3.07	2.41	1.87	1.53
Portugal	3.73	3.80	4.04	3.89	4.05
Romania	2.38	2.33	2.30	2.27	2.18
Slovakia	3.26	3.13	3.97	3.79	2.36
Slovenia	5.44	5.24	5.82	5.77	5.89
Spain	4.19	4.15	4.36	4.70	4.52
Sweden	7.74	8.66	8.15	8.29	7.38
United Kingdom	2.67	3.03	2.78	3.01	3.16
Japan	3.36	3.42	3.43	3.33	
Korea, Republic of	1.76	1.81	1.78	2.07	1.93
Norway	9.61	9.25	9.81	8.99	9.00
Russian Federation	1.35	1.37	1.71	1.58	1.33
Switzerland	8.87	7.48	7.90	9.15	7.68
Ukraine	1.31	1.25	1.37	2.26	1.91
USA	4.16	4.06	4.09	4.17	4.13

* Provisional
1/ Excludes Luxembourg

Table 7 shows annual per capita consumption in selected exporting and importing countries. Despite the increased domestic consumption of exporting countries, per capita consumption remains below 4 kg in all these countries, with the exception of Brazil. Of the 36 importing countries included in this table, 18 have a per capita consumption greater than 4 kg. Finland, Norway, Denmark, Switzerland and Sweden have the highest per capita consumption.

In conclusion, it should be noted that whatever the volume of total production in crop year 2010/11, any ensuing surplus or deficit is likely to be small. Similarly, with growing world consumption, the replenishment of stocks may be limited. Moreover, with high production costs, many coffee growers are finding it difficult to maintain investment for the upkeep and renovation of their coffee farms when price levels are not remunerative.