



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

November 2009

*Prices of Colombian Milds and Brazilian Naturals remained firm in November, while those of Other Milds fell slightly. Robusta prices continued to be subject to downward pressures with the arrival on the market of the new Vietnamese harvest. The monthly average of the 2<sup>nd</sup> and 3<sup>rd</sup> positions on the London futures market was down from 66.74 US cents per lb in October to 62.84 US cents per lb in November.*

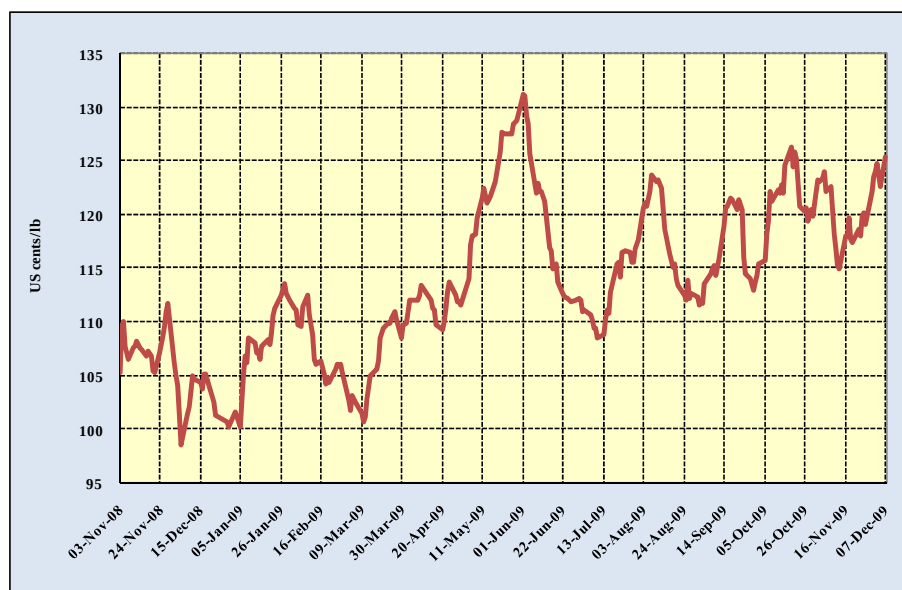
*On the basis of statistical data for exporting countries, total production in crop year 2008/09 was 128 million bags. For crop year 2009/10 my preliminary estimate of total production is between 123 and 125 million bags. Apart from Brazil, where production in 2009/10 will be reduced, a number of other exporting countries will also record lower production levels, notably Colombia and India. In the case of Colombia, production in crop year 2009/10 will not be as high as forecast due to a number of factors, including the recurrence of coffee berry borer (CBB) infestation and the continuation of the coffee tree rejuvenation programme.*

*It should be noted that inflation has contributed towards increases in the cost of production in many countries, particularly on account of higher fertilizer prices and labour costs. The Vietnamese authorities have recently announced a 5% devaluation of the Vietnamese dong against the US dollar.*

*Exports by all exporting countries during October totalled 6.9 million bags, bringing the cumulative total for January – October 2009 to 79.8 million bags, representing a fall of 1.9% in relation to the figure of 81.4 million bags for the same period in 2008.*

*In November, I participated in the 23<sup>rd</sup> Sintercafé Conference in the Guanacaste coffee region of Costa Rica where I outlined the key features of the International Coffee Agreement 2007. I also participated in the 17<sup>th</sup> ENCAFE Conference in Salvador, Brazil on the theme of the growth in the market for quality coffee. In my presentation I gave a detailed analysis of consumption trends and outlined the behaviour of the market during the world economic crisis. Finally, I attended the 49<sup>th</sup> General Assembly of the InterAfrican Coffee Organisation (IACO) in Accra, Ghana. In my address to the delegates of the 25 member countries of this Organisation, I reviewed the situation of African coffee production and highlighted the need to develop rehabilitation and replanting programmes to improve coffee productivity and quality.*

**Graph 1: Daily composite indicator price**  
3 November 2008 – 8 December 2009

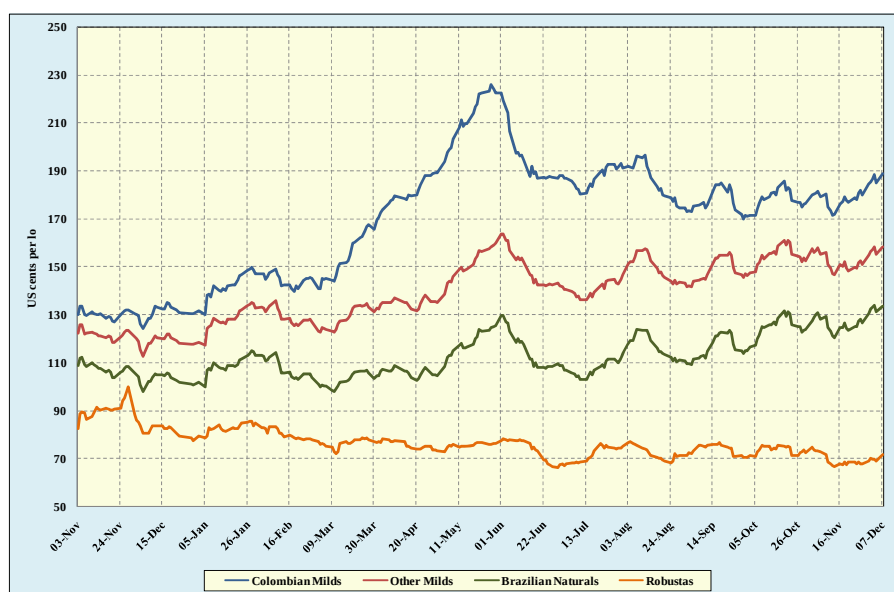


### Price movements

The monthly average of the **ICO composite indicator price** fell by 1.17% from 121.09 US cents per lb in October to 119.67 US cents per lb in November (Table 1). However, the behaviour of prices during the first week of December indicates a slight recovery in prices<sup>1</sup>. Graph 1 shows changes in the ICO daily composite indicator price since

3 November 2008. Graph 2 shows daily indicator prices for the four groups of coffee since 3 November 2008. Prices for **Colombian Milds** and **Brazilian Naturals** remained firm while those for **Other Milds** and **Robustas** fell. This fall was less marked for Other Milds than for Robustas.

**Graph 2: Group indicator prices**  
3 November 2008 – 8 December 2009



<sup>1</sup> On 8 December 2009, the indicator price was 125.31 US cents per lb compared to 122.19 US cents on 30 November.

Table 1: ICO daily indicator prices and futures prices (US cents per lb) – November 2009

|                                                 | ICO<br>composite | Colombian<br>Milds | Other<br>Milds | Brazilian<br>Naturals | Robustas     | New<br>York*  | London*      |
|-------------------------------------------------|------------------|--------------------|----------------|-----------------------|--------------|---------------|--------------|
| <b>Nov-09</b>                                   |                  |                    |                |                       |              |               |              |
| 02-Nov                                          | 123.27           | 180.13             | 157.73         | 127.37                | 74.59        | 146.32        | 67.79        |
| 03-Nov                                          | 123.12           | 180.22             | 156.30         | 129.02                | 73.63        | 145.17        | 66.75        |
| 04-Nov                                          | 123.40           | 180.72             | 156.84         | 129.93                | 73.11        | 144.80        | 66.59        |
| 05-Nov                                          | 124.08           | 181.43             | 158.07         | 130.84                | 73.19        | 146.02        | 66.47        |
| 06-Nov                                          | 122.15           | 179.05             | 155.24         | 128.00                | 72.84        | 142.90        | 66.20        |
| 09-Nov                                          | 122.62           | 180.25             | 156.31         | 129.33                | 71.88        | 144.07        | 65.14        |
| 10-Nov                                          | 118.21           | 175.05             | 151.18         | 124.45                | 68.67        | 138.07        | 60.83        |
| 11-Nov                                          | 116.88           | 173.42             | 149.39         | 123.16                | 67.72        | 136.68        | 61.60        |
| 12-Nov                                          | 115.27           | 171.40             | 147.37         | 121.13                | 66.93        | 134.57        | 60.55        |
| 13-Nov                                          | 114.97           | 172.03             | 146.96         | 120.59                | 66.55        | 135.10        | 60.28        |
| 16-Nov                                          | 118.05           | 176.16             | 150.96         | 124.47                | 67.89        | 140.35        | 61.76        |
| 17-Nov                                          | 118.06           | 177.27             | 150.44         | 124.82                | 67.55        | 139.73        | 61.19        |
| 18-Nov                                          | 119.65           | 179.05             | 152.23         | 126.62                | 68.73        | 141.40        | 62.44        |
| 19-Nov                                          | 117.67           | 177.65             | 149.55         | 124.18                | 67.43        | 137.90        | 61.08        |
| 20-Nov                                          | 117.44           | 176.96             | 148.41         | 123.31                | 68.55        | 136.60        | 61.69        |
| 23-Nov                                          | 118.61           | 178.76             | 150.10         | 124.88                | 68.78        | 138.27        | 61.87        |
| 24-Nov                                          | 118.04           | 178.10             | 149.37         | 124.93                | 67.80        | 137.00        | 61.05        |
| 25-Nov                                          | 119.91           | 180.92             | 151.71         | 127.38                | 68.49        | 139.77        | 61.58        |
| 26-Nov                                          | 120.25           | 181.81             | 152.45         | 128.10                | 68.01        | Holiday       | 61.21        |
| 27-Nov                                          | 119.15           | 180.18             | 150.89         | 126.51                | 67.86        | 138.95        | 61.30        |
| 30-Nov                                          | 122.19           | 184.47             | 154.82         | 130.54                | 68.93        | 142.85        | 62.23        |
| <b>Nov-09</b>                                   | <b>119.67</b>    | <b>178.33</b>      | <b>152.21</b>  | <b>126.17</b>         | <b>69.48</b> | <b>140.33</b> | <b>62.84</b> |
| <b>2008</b>                                     |                  |                    |                |                       |              |               |              |
| November                                        | 107.88           | 130.45             | 121.89         | 107.96                | 90.76        | 117.23        | 81.07        |
| December                                        | 103.07           | 130.89             | 118.97         | 103.46                | 82.51        | 111.91        | 74.71        |
| <b>2009</b>                                     |                  |                    |                |                       |              |               |              |
| January                                         | 108.39           | 142.32             | 128.30         | 109.18                | 82.74        | 119.75        | 75.88        |
| February                                        | 107.60           | 144.55             | 129.48         | 107.69                | 80.22        | 117.29        | 73.26        |
| March                                           | 105.87           | 154.16             | 128.52         | 102.81                | 76.31        | 113.47        | 69.39        |
| April                                           | 111.61           | 181.10             | 134.88         | 105.95                | 75.53        | 118.48        | 68.59        |
| 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        |
| <b>% change between Nov-09 and Oct-09</b>       | -1.17            | 0.12               | -1.53          | 1.24                  | -5.47        | -0.31         | -5.85        |
| <b>% change between Nov-09 and Nov-08</b>       | 10.93            | 36.71              | 24.87          | 16.87                 | -23.44       | 19.70         | -22.49       |
| <b>% change between Nov-09 and 2008 average</b> | -3.69            | 23.57              | 8.89           | -0.33                 | -34.00       | 2.83          | -35.34       |
| <b>volatility (%)</b>                           |                  |                    |                |                       |              |               |              |
| Jan-09                                          | 6.50             | 8.00               | 7.45           | 8.67                  | 6.95         | 10.50         | 9.16         |
| Feb-09                                          | 4.55             | 5.35               | 5.25           | 6.13                  | 5.28         | 7.27          | 6.57         |
| Mar-09                                          | 4.64             | 5.47               | 4.60           | 4.99                  | 7.00         | 6.77          | 8.33         |
| Apr-09                                          | 3.66             | 2.77               | 4.54           | 5.51                  | 4.39         | 7.11          | 5.32         |
| 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         |
| <b>Nov-09</b>                                   | <b>6.81</b>      | <b>5.86</b>        | <b>6.96</b>    | <b>8.18</b>           | <b>7.02</b>  | <b>8.54</b>   | <b>8.95</b>  |

\* Average of the 2<sup>nd</sup> and 3<sup>rd</sup> positions

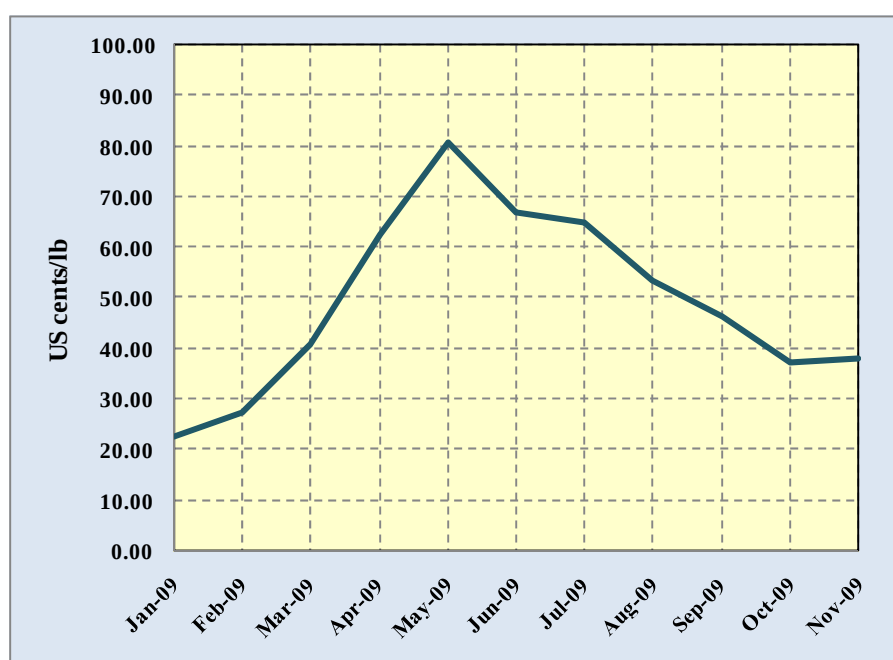
The differential between Colombian Milds and Other Milds widened by 10.9% from 23.56 US cents per lb in October to 26.13 cents in November. Similarly, the differential between Other Milds and Robustas increased from 81.06 US cents per lb in October to 82.72 cents in November. The increase

in prices of Brazilian Naturals led to a narrowing in differentials with Colombian Milds and Other Milds (Table 2). The differential between Colombian Milds and the average of the 2<sup>nd</sup> and 3<sup>rd</sup> positions on the New York futures market also increased (Graph 3).

**Table 2: Differential between price groups**

|                                       | Colombian<br>Milds<br>Other<br>Milds | Colombian<br>Milds<br>Brazilian<br>Naturals | Colombian<br>Milds<br>Robustas | Colombian<br>Milds<br>New York* | Other<br>Milds<br>Brazilian<br>Naturals | Other<br>Milds<br>Robustas | Brazilian<br>Naturals<br>Robustas | New York*<br>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                |
| % change between<br>Nov-09 and Oct-09 | 10.90%                               | -2.51%                                      | 4.05%                          | 1.74%                           | -13.07%                                 | 2.05%                      | 10.91%                            | 4.67%                |

**Graph 3: Differential between the monthly averages of Colombian Milds and the average of the 2<sup>nd</sup> and 3<sup>rd</sup> positions on the New York futures market\* January – November 2009**



\* Average of the 2<sup>nd</sup> and 3<sup>rd</sup> positions

**Table 3: Production in selected exporting countries**

| <b>Crop year commencing</b>         | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009*</b>   | <b>% change 2009&amp;2008</b> |
|-------------------------------------|----------------|----------------|----------------|----------------|-------------------------------|
| <b>TOTAL</b>                        | <b>129 139</b> | <b>118 949</b> | <b>128 073</b> | <b>123 400</b> | <b>-3.65</b>                  |
| <b>Africa</b>                       | <b>15 385</b>  | <b>14 810</b>  | <b>15 493</b>  | <b>16 200</b>  | <b>4.56</b>                   |
| Cameroon                            | 836            | 795            | 833            |                |                               |
| Côte d'Ivoire                       | 2 847          | 2 150          | 2 500          |                |                               |
| Ethiopia                            | 4 636          | 4 906          | 4 350          |                |                               |
| Kenya                               | 826            | 652            | 883            |                |                               |
| Tanzania                            | 822            | 810            | 1 186          |                |                               |
| Uganda                              | 2 700          | 3 250          | 3 100          |                |                               |
| Others                              | 2 717          | 2 247          | 2 641          |                |                               |
| Arabicas                            | 7 557          | 7 418          | 7 669          | 8 500          | 10.84                         |
| Robustas                            | 7 828          | 7 392          | 7 825          | 7 700          | -1.60                         |
| <b>Asia &amp; Oceania</b>           | <b>34 530</b>  | <b>31 410</b>  | <b>35 055</b>  | <b>34 750</b>  | <b>-0.87</b>                  |
| India                               | 5 159          | 4 460          | 4 372          |                |                               |
| Indonesia                           | 7 483          | 7 777          | 9 350          |                |                               |
| Papua New Guinea                    | 807            | 968            | 1 028          |                |                               |
| Thailand                            | 766            | 653            | 825            |                |                               |
| Vietnam                             | 19 340         | 16 467         | 18 500         |                |                               |
| Others                              | 976            | 1 085          | 981            |                |                               |
| Arabicas                            | 3 836          | 4 249          | 4 468          | 4 750          | 6.31                          |
| Robustas                            | 30 694         | 27 161         | 30 587         | 30 000         | -1.92                         |
| <b>Mexico &amp; Central America</b> | <b>16 937</b>  | <b>18 294</b>  | <b>17 305</b>  | <b>18 250</b>  | <b>5.46</b>                   |
| Costa Rica                          | 1 580          | 1 791          | 1 580          |                |                               |
| El Salvador                         | 1 371          | 1 621          | 1 420          |                |                               |
| Guatemala                           | 3 950          | 4 100          | 3 730          |                |                               |
| Honduras                            | 3 461          | 3 842          | 2 978          |                |                               |
| Mexico                              | 4 200          | 4 150          | 4 650          |                |                               |
| Nicaragua                           | 1 300          | 1 700          | 1 600          |                |                               |
| Others                              | 1 074          | 1 090          | 1 346          |                |                               |
| Arabicas                            | 16 802         | 18 169         | 17 159         | 18 100         | 5.48                          |
| Robustas                            | 135            | 125            | 145            | 150            | 3.23                          |
| <b>South America</b>                | <b>62 287</b>  | <b>54 436</b>  | <b>60 220</b>  | <b>54 200</b>  | <b>-10.00</b>                 |
| Brazil                              | 42 512         | 36 070         | 45 992         | 39 003         | -15.20                        |
| Colombia                            | 12 541         | 12 504         | 8 664          |                |                               |
| Ecuador                             | 1 167          | 1 110          | 691            |                |                               |
| Peru                                | 4 319          | 3 063          | 3 872          |                |                               |
| Others                              | 1 749          | 1 689          | 1 002          |                |                               |
| Arabicas                            | 52 479         | 43 181         | 49 303         | 43 350         | -12.07                        |
| Robustas                            | 9 808          | 11 255         | 10 917         | 10 850         | -0.62                         |
| <b>TOTAL</b>                        | <b>129 139</b> | <b>118 949</b> | <b>128 073</b> | <b>123 400</b> | <b>-3.65</b>                  |
| Colombian Milds                     | 13 876         | 13 674         | 10 306         | 10 900         | 5.76                          |
| Other Milds                         | 27 968         | 27 725         | 26 992         | 28 400         | 5.22                          |
| Brazilian Naturals                  | 38 830         | 31 618         | 41 300         | 35 400         | -14.29                        |
| Robustas                            | 48 465         | 45 932         | 49 475         | 48 700         | -1.57                         |
| <b>Arabicas</b>                     | <b>80 674</b>  | <b>73 017</b>  | <b>78 599</b>  | <b>74 700</b>  | <b>-4.96</b>                  |
| <b>Robustas</b>                     | <b>48 465</b>  | <b>45 932</b>  | <b>49 475</b>  | <b>48 700</b>  | <b>-1.57</b>                  |
| <b>TOTAL</b>                        | <b>100.00</b>  | <b>100.00</b>  | <b>100.00</b>  | <b>100.00</b>  |                               |
| Colombian Milds                     | 10.75          | 11.50          | 8.05           | 8.83           |                               |
| Other Milds                         | 21.66          | 23.31          | 21.08          | 23.01          |                               |
| Brazilian Naturals                  | 30.07          | 26.58          | 32.25          | 28.69          |                               |
| Robustas                            | 37.53          | 38.61          | 38.63          | 39.47          |                               |
| <b>Arabicas</b>                     | <b>62.47</b>   | <b>61.39</b>   | <b>61.37</b>   | <b>60.53</b>   |                               |
| <b>Robustas</b>                     | <b>37.53</b>   | <b>38.61</b>   | <b>38.63</b>   | <b>39.47</b>   |                               |

\* Estimated

In thousand bags

**Market fundamentals**

Market fundamentals favour a continuation of the current firmness in prices. **Total production** in crop year 2008/09 was about 128 million bags for a total demand of around 130 million bags. Table 3 shows world production since crop year 2006/07.

Figures for crop year 2009/10 indicate that Brazilian production fell to 39 million bags, compared to 46 million bags in crop year 2008/09. Colombia, which in the previous crop year recorded its lowest production level since crop year 1973/74, is not expected to recover its normal production level in crop year 2009/10 since harvests in the first two months are below the historical average. The situation may improve in the first quarter of 2010. The recurrence of the CBB remains another limiting factor. It should be noted that the coffee tree rejuvenation programme continues to be carried out in the country.

Bearing in mind the situation in Brazil and Colombia, production in South America will fall during crop year 2009/10. In Africa and in Mexico and Central America production could increase slightly. On the other hand, production in Asia and Oceania may show a slight fall. It should be noted that there has been a decrease in the use of fertilizers in many exporting countries. Information provided by exporting countries has enabled me to establish my preliminary estimate of total production in crop year 2009/10 at between 123 and 125 million bags. Preliminary reports about the exercise of options under the programme of government support for Brazilian producers indicates that delivery of 740,200 bags to state-owned warehouses took place in November. Payment for the quantity delivered will be made during the course of the first two weeks of December.

**Exports** during October totalled 6.9 million bags, bringing the total volume exported during the first ten months of calendar year 2009 to 79.8 million bags as against 81.4 million bags during the same period in 2008, a decrease of 1.9% (Table 4).

**Table 4: Total exports of all forms of coffee (January – October 2008 and 2009)**

|                              | 2008          | 2009          | % change     |
|------------------------------|---------------|---------------|--------------|
| <b>TOTAL</b>                 | <b>81 385</b> | <b>79 839</b> | <b>-1.90</b> |
| Colombian Milds              | 10 129        | 7 654         | -24.43       |
| Other Milds                  | 19 892        | 18 185        | -8.58        |
| Brazilian Naturals           | 22 890        | 24 978        | 9.12         |
| Robustas                     | 28 474        | 29 022        | 1.93         |
| Arabicas                     | 52 911        | 50 817        | 1.55         |
| Robustas                     | 28 474        | 29 022        | 4.44         |
| Angola                       | 6             | 7             | 8.52         |
| Benin                        | 0             | 0             | -            |
| Bolivia                      | 52            | 61            | 16.86        |
| Brazil                       | 23 309        | 25 152        | 7.91         |
| Burundi                      | 174           | 274           | 56.80        |
| Cameroon                     | 494           | 492           | -0.42        |
| Central African Republic     | 29            | 20            | -30.45       |
| Colombia                     | 9 163         | 6 490         | -29.17       |
| Congo, Dem. Rep. of          | 175           | 127           | -27.39       |
| Congo, Rep. of               | 0             | 0             | -            |
| Costa Rica                   | 1 303         | 1 021         | -21.64       |
| Côte d'Ivoire                | 1 429         | 1 549         | 8.38         |
| Cuba                         | 4             | 7             | 93.82        |
| Dominican Republic           | 77            | 97            | 26.80        |
| Ecuador                      | 708           | 890           | 25.72        |
| El Salvador                  | 1 322         | 1 221         | -7.64        |
| Ethiopia                     | 2 691         | 1 642         | -38.95       |
| Gabon                        | 0             | 1             | 60.33        |
| Ghana                        | 29            | 12            | -58.06       |
| Guatemala                    | 3 575         | 3 259         | -8.86        |
| Guinea                       | 181           | 266           | 47.06        |
| Haiti                        | 16            | 18            | 13.92        |
| Honduras                     | 3 151         | 2 917         | -7.42        |
| India                        | 2 997         | 2 086         | -30.41       |
| Indonesia                    | 4 790         | 5 554         | 15.95        |
| Jamaica                      | 19            | 24            | 27.74        |
| Kenya                        | 523           | 485           | -7.38        |
| Madagascar                   | 178           | 93            | -47.51       |
| Malawi                       | 19            | 8             | -57.90       |
| Mexico                       | 2 240         | 2 577         | 15.04        |
| Nicaragua                    | 1 495         | 1 265         | -15.40       |
| Nigeria                      | 1             | 0             | -22.56       |
| Panama                       | 108           | 90            | -16.52       |
| Papua New Guinea             | 947           | 797           | -15.84       |
| Paraguay                     | 3             | 2             | -8.71        |
| Peru                         | 2 865         | 2 506         | -12.55       |
| Philippines                  | 4             | 6             | 42.86        |
| Rwanda                       | 198           | 148           | -25.09       |
| Tanzania                     | 636           | 1 017         | 59.93        |
| Thailand                     | 153           | 153           | -0.20        |
| Togo                         | 117           | 142           | 21.14        |
| Uganda                       | 2 745         | 2 512         | -8.51        |
| Venezuela                    | 125           | 30            | -76.08       |
| Vietnam                      | 12 928        | 14 489        | 12.07        |
| Zambia                       | 40            | 22            | -45.62       |
| Zimbabwe                     | 19            | 11            | -41.61       |
| Other exporting countries 1/ | 348           | 303           | -13.13       |

In thousand bags

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

Recent information indicates that **opening stocks** in exporting countries for crop year 2009/10 are at similar levels to the previous year. The bulk of stocks are held in importing countries with levels at the end of September 2009 estimated at around 26 million bags, the highest level ever recorded.

Despite the economic crisis, **world consumption** in recent years has remained buoyant. The total volume of consumption in calendar year 2008 is estimated at 130 million bags (Table 5). World consumption continued to grow in 2009 and, I believe, will reach around 132 million bags.

**Table 5: World consumption (Calendar years 2004 – 2008)**

|                                  | 2004           | 2005           | 2006           | 2007           | 2008*          |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>WORLD TOTAL</b>               | <b>119 133</b> | <b>119 714</b> | <b>123 329</b> | <b>127 977</b> | <b>130 004</b> |
| <b>Producing Countries</b>       | <b>30 178</b>  | <b>31 624</b>  | <b>33 275</b>  | <b>35 367</b>  | <b>36 703</b>  |
| Brazil                           | 14 760         | 15 390         | 16 133         | 16 927         | 17 526         |
| Indonesia                        | 1 958          | 2 375          | 2 750          | 3 208          | 3 333          |
| Mexico                           | 1 500          | 1 556          | 1 794          | 2 050          | 2 200          |
| Ethiopia                         | 1 833          | 1 833          | 1 833          | 1 833          | 1 833          |
| Venezuela                        | 1 355          | 1 412          | 1 472          | 1 534          | 1 599          |
| India                            | 1 188          | 1 272          | 1 357          | 1 438          | 1 518          |
| Colombia                         | 1 400          | 1 400          | 1 400          | 1 400          | 1 400          |
| Philippines                      | 917            | 917            | 917            | 989            | 1 070          |
| Vietnam                          | 500            | 500            | 604            | 938            | 1 021          |
| Others                           | 4 768          | 4 969          | 5 015          | 5 052          | 5 202          |
| <b>Importing Countries</b>       | <b>88 955</b>  | <b>88 090</b>  | <b>90 054</b>  | <b>92 610</b>  | <b>93 301</b>  |
| <b>European Union</b>            | <b>41 193</b>  | <b>39 277</b>  | <b>40 951</b>  | <b>40 543</b>  | <b>39 869</b>  |
| Germany                          | 10 445         | 8 665          | 9 151          | 8 627          | 9 554          |
| Italy                            | 5 469          | 5 552          | 5 593          | 5 821          | 5 937          |
| France                           | 4 929          | 4 787          | 5 278          | 5 628          | 5 155          |
| Spain                            | 2 705          | 3 007          | 3 017          | 3 198          | 3 485          |
| United Kingdom                   | 2 458          | 2 680          | 3 059          | 2 824          | 3 067          |
| Netherlands                      | 1 978          | 1 927          | 2 129          | 2 292          | 1 324          |
| Sweden                           | 1 234          | 1 170          | 1 315          | 1 244          | 1 272          |
| Poland                           | 2 281          | 2 267          | 1 953          | 1 531          | 1 190          |
| Finland                          | 1 034          | 1 102          | 1 047          | 1 057          | 1 115          |
| Greece                           | 871            | 870            | 857            | 1 015          | 978            |
| Others                           | 7 788          | 7 249          | 7 554          | 7 307          | 6 790          |
| USA                              | 20 973         | 20 998         | 20 667         | 21 033         | 21 652         |
| Japan                            | 7 117          | 7 128          | 7 268          | 7 282          | 7 065          |
| <b>Other Importing Countries</b> | <b>19 672</b>  | <b>20 688</b>  | <b>21 168</b>  | <b>23 752</b>  | <b>24 715</b>  |
| Russian Federation               | 3 086          | 3 212          | 3 263          | 4 055          | 3 716          |
| Canada                           | 2 747          | 2 794          | 3 098          | 3 245          | 3 214          |
| Algeria                          | 2 159          | 1 892          | 1 836          | 1 968          | 2 118          |
| Ukraine                          | 739            | 1 025          | 968            | 1 057          | 1 733          |
| Korea, Republic of               | 1 401          | 1 394          | 1 437          | 1 425          | 1 665          |
| Australia                        | 864            | 1 039          | 992            | 1 031          | 1 145          |
| Others                           | 8 676          | 9 331          | 9 574          | 10 971         | 11 126         |

\* Provisional

In thousand bags

Tables 6 and 7 show per capita consumption in selected exporting and importing countries. Data on retail prices in the month of June for the period 2007 to 2009 indicate a fall in almost all importing countries compared to levels in June 2008 (Table 8).

**Table 6: Per capita consumption in selected exporting countries (Calendar years 2004 – 2008)**

|                    | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------------|------|------|------|------|------|
| Brazil             | 4.82 | 4.96 | 5.14 | 5.34 | 5.48 |
| Honduras           | 1.84 | 2.00 | 1.96 | 2.41 | 3.77 |
| Costa Rica         | 4.16 | 5.04 | 4.77 | 4.19 | 3.54 |
| Venezuela          | 3.10 | 3.17 | 3.25 | 3.33 | 3.41 |
| Dominican Republic | 2.29 | 2.38 | 2.35 | 2.31 | 2.28 |
| El Salvador        | 1.48 | 1.78 | 2.05 | 2.20 | 2.25 |
| Haiti              | 2.20 | 2.17 | 2.13 | 2.10 | 2.06 |
| Nicaragua          | 2.12 | 2.09 | 2.06 | 2.04 | 2.01 |
| Colombia           | 1.98 | 1.95 | 1.92 | 1.89 | 1.87 |
| Madagascar         | 1.52 | 1.59 | 1.55 | 1.51 | 1.47 |
| Ethiopia           | 1.51 | 1.47 | 1.44 | 1.40 | 1.36 |
| Guatemala          | 1.45 | 1.42 | 1.38 | 1.35 | 1.35 |
| Mexico             | 0.86 | 0.89 | 1.01 | 1.14 | 1.22 |
| Panama             | 1.26 | 1.24 | 1.22 | 1.20 | 1.18 |
| Cuba               | 1.20 | 1.20 | 1.20 | 1.20 | 1.16 |
| Côte d'Ivoire      | 1.01 | 0.99 | 0.97 | 0.94 | 0.92 |
| Indonesia          | 0.54 | 0.65 | 0.74 | 0.86 | 0.88 |
| Philippines        | 0.66 | 0.64 | 0.63 | 0.67 | 0.71 |
| Vietnam            | 0.36 | 0.36 | 0.43 | 0.65 | 0.70 |
| Ecuador            | 0.70 | 0.69 | 0.68 | 0.67 | 0.67 |

In kilogrammes

**Table 7: Per capita consumption in selected importing countries (Calendar years 2004 – 2008)**

|                       | 2004        | 2005        | 2006        | 2007        | 2008        |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Algeria               | 4.00        | 3.46        | 3.30        | 3.49        | 3.70        |
| Australia             | 2.57        | 3.06        | 2.88        | 2.97        | 3.26        |
| Canada                | 5.15        | 5.19        | 5.70        | 5.91        | 5.80        |
| <b>European Union</b> | <b>5.06</b> | <b>4.81</b> | <b>5.00</b> | <b>4.93</b> | <b>4.83</b> |
| Austria               | 7.30        | 5.63        | 4.44        | 6.11        | 6.53        |
| Belgium               | 8.09        | 6.67        | 8.81        | 6.29        | 3.68        |
| Bulgaria              | 2.81        | 3.33        | 3.28        | 2.86        | 3.52        |
| Cyprus                | 4.32        | 4.97        | 3.92        | 4.89        | 5.39        |
| Czech Republic        | 3.56        | 3.86        | 3.70        | 3.97        | 3.61        |
| Denmark               | 9.43        | 8.80        | 9.09        | 8.52        | 7.71        |
| Estonia               | 5.71        | 6.43        | 7.42        | 4.53        | 6.89        |
| Finland               | 11.87       | 12.62       | 11.94       | 12.01       | 12.62       |
| France                | 4.88        | 4.71        | 5.16        | 5.47        | 4.99        |
| Germany               | 7.61        | 6.31        | 6.66        | 6.29        | 6.97        |
| Greece                | 4.73        | 4.72        | 4.63        | 5.48        | 5.27        |
| Hungary               | 4.21        | 3.39        | 3.57        | 3.12        | 2.96        |
| Ireland               | 3.29        | 3.19        | 2.85        | 3.36        | 1.56        |
| Italy                 | 5.63        | 5.68        | 5.69        | 5.89        | 5.98        |
| Latvia                | 4.03        | 3.78        | 4.76        | 3.46        | 3.06        |
| Lithuania             | 3.44        | 3.39        | 3.78        | 4.11        | 3.68        |
| Luxembourg            | 15.33       | 11.66       | 15.40       | 16.17       | 25.55       |
| Malta                 | 2.33        | 2.44        | 4.22        | 2.33        | 3.33        |
| Netherlands           | 7.31        | 7.08        | 7.79        | 8.36        | 4.80        |
| Poland                | 3.58        | 3.56        | 3.07        | 2.41        | 1.87        |
| Portugal              | 3.92        | 3.73        | 3.80        | 4.07        | 4.14        |
| Romania               | 2.26        | 2.38        | 2.33        | 2.30        | 2.27        |
| Slovakia              | 3.16        | 3.26        | 3.13        | 3.97        | 3.79        |
| Slovenia              | 5.55        | 5.44        | 5.24        | 5.82        | 5.77        |
| Spain                 | 3.82        | 4.19        | 4.15        | 4.36        | 4.70        |
| Sweden                | 8.21        | 7.74        | 8.66        | 8.15        | 8.29        |
| United Kingdom        | 2.46        | 2.67        | 3.03        | 2.78        | 3.01        |
| Japan                 | 3.35        | 3.36        | 3.42        | 3.43        | 3.33        |
| Korea, Republic of    | 1.77        | 1.76        | 1.81        | 1.78        | 2.07        |
| Norway                | 9.25        | 9.61        | 9.25        | 9.81        | 8.99        |
| Russian Federation    | 1.29        | 1.35        | 1.37        | 1.71        | 1.58        |
| Switzerland           | 5.86        | 8.87        | 7.48        | 7.90        | 9.15        |
| Ukraine               | 0.94        | 1.31        | 1.25        | 1.37        | 2.26        |
| USA                   | 4.20        | 4.16        | 4.06        | 4.09        | 4.17        |

In kilogrammes

**Table 8: Retail prices of roasted coffee in selected importing countries**

|                       | June     |          |           | % change      |
|-----------------------|----------|----------|-----------|---------------|
|                       | 2007     | 2008     | 2009      | 2009-2008     |
| <b>European Union</b> |          |          |           |               |
| Austria               | 428.46   | 499.45   | 706.94 1/ | <b>41.54</b>  |
| Belgium               | 484.45   | 584.80   | 530.83    | <b>-9.23</b>  |
| Bulgaria              | 333.00   | 429.21   | 386.80    | <b>-9.88</b>  |
| Cyprus                | 562.96   | 652.53   | 588.06    | <b>-9.88</b>  |
| Denmark               | 471.08   | 580.47   | 537.16    | <b>-7.46</b>  |
| Finland               | 318.91   | 395.05   | 347.11    | <b>-12.13</b> |
| France                | 333.52   | 403.51   | 378.90    | <b>-6.10</b>  |
| Germany               | 467.41   | 544.59   | 476.80    | <b>-12.45</b> |
| Italy                 | 686.51   | 831.70   | 771.77    | <b>-7.21</b>  |
| Latvia                | 470.91   | 644.26   | 607.26    | <b>-5.74</b>  |
| Luxembourg            | 654.86   | 809.84   | 732.37    | <b>-9.57</b>  |
| Malta 2/              | 1 185.21 | 1 395.36 | 1 303.26  | <b>-6.60</b>  |
| Netherlands           | 435.76   | 533.31   |           |               |
| Poland                | 330.31   | 490.94   | 335.27    | <b>-31.71</b> |
| Portugal              | 498.45   | 610.20   | 537.19    | <b>-11.96</b> |
| Slovakia              | 375.87   | 557.23   | 508.59    | <b>-8.73</b>  |
| Slovenia              | 447.93   | 548.83   | 484.43    | <b>-11.73</b> |
| Spain                 | 374.90   | 451.48   | 419.59    | <b>-7.06</b>  |
| Sweden                | 345.13   | 411.95   | 353.07    | <b>-14.29</b> |
| United Kingdom 2/     | 1 783.40 | 1 719.25 | 1 669.27  | <b>-2.91</b>  |
| Japan                 | 750.20   | 906.35   | 573.36 1/ | <b>-36.74</b> |
| Norway                | 397.97   | 555.61   | 410.36    | <b>-26.14</b> |
| USA                   | 340.70   |          |           |               |

In US cents per lb

1/ Change in type of coffee product

2/ Soluble coffee

*In conclusion, it should be noted that high production costs have contributed to a slowdown in investment in the coffee sector in many exporting countries. The continuing buoyancy of world consumption should make it possible to maintain relatively firm prices in upcoming months. Nevertheless, future growth in consumption, which has been largely attributable to the development of emerging markets and increases in the domestic consumption of coffee producing countries, could be hampered by the vulnerability of these economies to the world economic crisis.*