



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

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## MONTHLY COFFEE MARKET REPORT

November 2012

*Coffee prices slipped further in November, as the ICO composite indicator price fell by 7.3% to 136.35 US cents/lb, its lowest level since May 2010. All group indicators decreased, with Colombian Milds, Other Milds and Brazilian Naturals at their lowest levels in over two years. The differential between prices of Arabica and Robusta indicators also fell month on month.*

*In terms of market fundamentals, this market report contains an initial assessment of production in crop year 2012/13 by all exporting countries. On the basis of information currently available, world production is estimated at 146 million bags, an increase of 8.4% on the 134.6 million bags in 2011/12. This increase is driven mostly by production of Arabicas, which are anticipated to increase by 10.6%, with Robustas also increasing by an estimated 5.1%.*

*Exports by all exporting countries reached 8.9 million bags in October 2012, 17.3% higher than the same month last year. This brings total exports for January to October 2012 to 92.2 million bags, compared with 87.5 million bags for the same period in 2011.*

**Graph 1: ICO composite indicator prices**  
Daily: 1 November 2011 – 7 December 2012



### Price movements

The monthly average of the **ICO composite indicator price** fell further in November to 136.35 US cents/lb, a 7.3% drop on October and its lowest level since May 2010 (Table 1). Graphs 1 and 2 show ICO daily composite indicator prices and group indicator prices since 1 November 2011. Price decreases were recorded across all coffee groups, with **Colombian Milds**, **Other Milds** and **Brazilian Naturals** down 6.2%,

7.7% and 8%, respectively, and **Robustas** falling by 6.5%. In terms of differentials, the premium of all Arabica groups over Robustas fell for the second month in succession. The New York to London differential also fell nearly 10%, and is now less than half of its level compared to the same time last year (Table 2 and Graph 3).

**Graph 2: Group indicator prices**  
Daily: 1 November 2011 – 7 December 2012

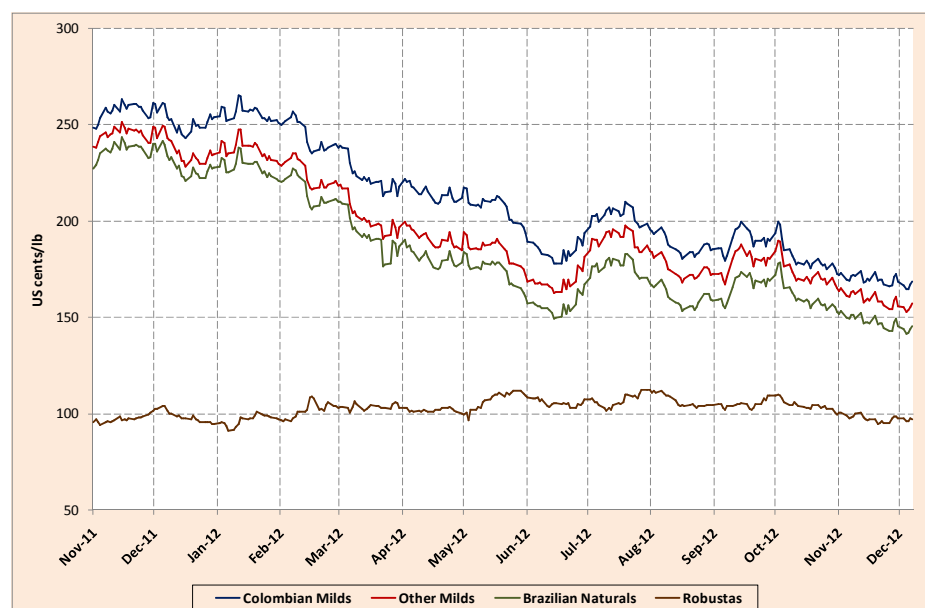


Table 1: ICO indicator prices and futures prices (US cents/lb) – November 2012

	ICO Composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York*	London*
<b>Monthly averages</b>							
<b>2011</b>							
November	193.66	256.99	245.09	236.75	97.24	235.25	85.78
December	189.02	251.60	236.71	228.79	98.41	227.23	87.65
<b>2012</b>							
January	188.90	255.91	237.21	228.21	96.72	227.50	84.19
February	182.29	244.14	224.16	215.40	101.93	212.09	88.69
March	167.77	222.84	201.26	192.03	103.57	188.78	91.37
April	160.46	214.46	191.45	180.90	101.80	181.75	91.81
May	157.68	207.32	184.65	174.17	106.88	176.50	96.82
June	145.31	184.67	168.69	156.17	105.70	159.93	94.75
July	159.07	202.56	190.45	175.98	107.06	183.20	96.14
August	148.50	187.14	174.82	160.05	106.52	169.77	96.12
September	151.28	190.10	178.98	166.53	104.95	175.36	94.65
October	147.12	181.39	173.32	161.20	104.47	170.43	94.66
<b>November</b>	<b>136.35</b>	<b>170.08</b>	<b>159.91</b>	<b>148.25</b>	<b>97.67</b>	<b>155.72</b>	<b>87.32</b>
<b>Annual averages</b>							
2001	45.59	72.05	62.28	50.70	27.54	58.86	23.92
2002	47.74	64.90	61.52	45.23	30.01	57.02	25.88
2003	51.90	65.33	64.20	50.31	36.95	65.24	34.11
2004	62.15	81.44	80.47	68.97	35.99	79.53	32.85
2005	89.36	115.73	114.86	102.29	50.55	111.38	46.80
2006	95.75	116.80	114.40	103.92	67.55	112.30	59.77
2007	107.68	125.57	123.55	111.79	86.60	121.83	78.56
2008	124.25	144.32	139.78	126.59	105.28	136.46	97.17
2009	115.67	177.43	143.84	115.33	74.58	128.40	67.69
2010	147.24	225.46	195.96	153.68	78.74	165.20	71.98
2011	210.39	283.84	271.07	247.61	109.21	256.36	101.23
% change between Nov-12 and Oct-12							
	-7.3	-6.2	-7.7	-8.0	-6.5	-8.6	-7.7
% change between Nov-12 and Nov-11							
	-29.6	-33.8	-34.8	-37.4	0.4	-33.8	1.8
% change between Nov-12 and 2011 average							
	-35.2	-40.1	-41.0	-40.1	-10.6	-39.3	-13.7
<b>Volatility (%)</b>							
Nov-11	4.7	5.7	6.0	6.1	4.9	7.5	4.9
Dec-11	6.1	6.6	6.8	6.7	4.7	8.0	5.5
Jan-12	6.5	6.4	7.3	7.1	6.6	7.7	8.1
Feb-12	4.4	5.4	5.4	5.9	10.4	6.4	6.5
Mar-12	8.4	7.8	9.0	12.6	7.3	10.4	6.8
Apr-12	5.1	5.5	6.0	7.2	3.2	7.2	3.4
May-12	6.0	5.7	6.1	6.4	8.7	6.8	5.9
Jun-12	7.9	8.7	9.7	9.8	5.9	10.9	5.7
Jul-12	6.9	7.2	8.6	8.6	6.8	9.8	6.6
Aug-12	4.8	5.4	5.7	6.3	4.0	6.0	4.0
Sep-12	7.7	8.6	9.8	9.2	5.7	10.8	6.1
Oct-12	7.1	7.8	8.3	8.8	4.7	8.7	4.5
<b>Nov-12</b>	<b>7.2</b>	<b>7.6</b>	<b>8.8</b>	<b>8.4</b>	<b>5.7</b>	<b>9.7</b>	<b>6.5</b>
<b>Variation between Nov-12 and Oct-12</b>							
	0.1	-0.2	0.6	-0.4	1.0	1.0	1.9

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

Table 2: Price differentials (US cents/lb)

	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*
Nov-11	11.91	20.25	159.75	21.74	8.34	147.85	139.50	149.47
Dec-11	14.89	22.81	153.19	24.37	7.92	138.30	130.38	139.58
Jan-12	18.71	27.71	159.20	28.42	9.00	140.49	131.49	143.30
Feb-12	19.98	28.74	142.21	32.06	8.76	122.22	113.47	123.39
Mar-12	21.58	30.80	119.26	34.06	9.22	97.69	88.46	97.41
Apr-12	23.01	33.55	112.66	32.71	10.55	89.65	79.10	89.94
May-12	22.67	33.15	100.45	30.83	10.48	77.78	67.30	79.68
Jun-12	15.98	28.49	78.97	24.73	12.51	62.99	50.48	65.18
Jul-12	12.11	26.58	95.50	19.36	14.46	83.38	68.92	87.06
Aug-12	12.31	27.09	80.62	17.37	14.77	68.30	53.53	73.65
Sep-12	11.13	23.57	85.15	14.75	12.45	74.03	61.58	80.70
Oct-12	8.07	20.19	76.92	10.96	12.12	68.85	56.73	75.78
<b>Nov-12</b>	<b>10.17</b>	<b>21.83</b>	<b>72.41</b>	<b>14.36</b>	<b>11.66</b>	<b>62.23</b>	<b>50.58</b>	<b>68.40</b>
<b>Absolute change between Nov-12 and Oct-12</b>								
	<b>2.10</b>	<b>1.64</b>	<b>-4.52</b>	<b>3.40</b>	<b>-0.46</b>	<b>-6.62</b>	<b>-6.16</b>	<b>-7.38</b>
<b>% change between Nov-12 and Oct-12</b>								
	<b>26.0</b>	<b>8.1</b>	<b>-5.9</b>	<b>31.0</b>	<b>-3.8</b>	<b>-9.6</b>	<b>-10.9</b>	<b>-9.7</b>

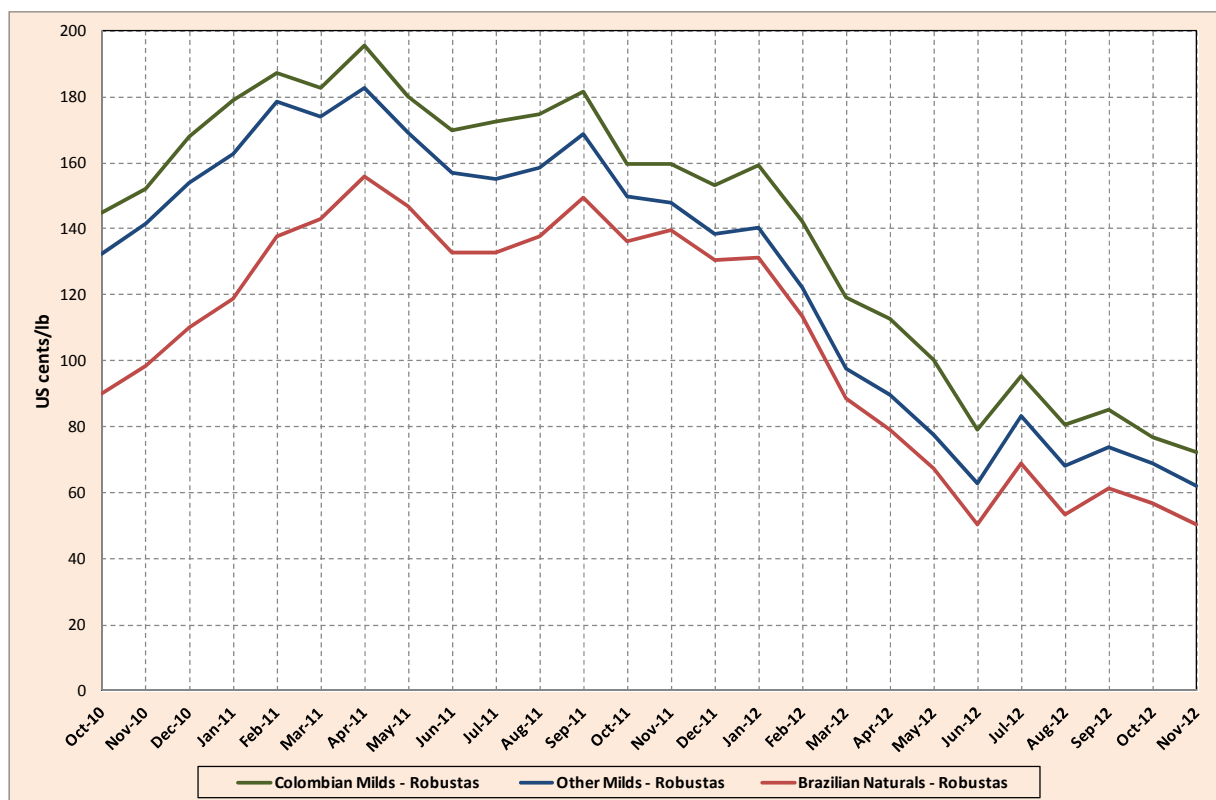
\* Average for the 2<sup>nd</sup> and 3<sup>rd</sup> positionsGraph 3: Differential between prices of Arabica and Robusta indicators  
October 2010 – November 2012

Table 3: Production in selected exporting countries

Crop year commencing	2009	2010	2011	2012*	% change 2011-12
<b>TOTAL</b>	<b>122 805</b>	<b>133 515</b>	<b>134 621</b>	<b>145 964</b>	<b>8.4</b>
<b>Africa</b>	<b>15 882</b>	<b>16 230</b>	<b>14 805</b>	<b>16 785</b>	<b>13.4</b>
Cameroon	750	608	555	850	53.1
Côte d'Ivoire	1 795	982	1 906	1 800	-5.6
Ethiopia	6 931	7 500	6 008	6 500	8.2
Kenya	630	658	680	850	24.9
Tanzania	709	851	534	918	71.7
Uganda	2 845	3 203	2 817	3 000	6.5
Others	2 223	2 426	2 303	2 867	24.5
Arabicas	9 157	10 172	8 237	9 682	17.5
Robustas	6 725	6 058	6 567	7 103	8.2
<b>Asia &amp; Oceania</b>	<b>37 211</b>	<b>36 312</b>	<b>40 999</b>	<b>42 464</b>	<b>3.6</b>
India	4 794	5 033	5 233	5 422	3.6
Indonesia	11 380	9 129	8 620	11 667	35.4
Papua New Guinea	1 038	870	1 415	1 200	-15.2
Thailand	795	829	823	850	3.3
Vietnam	17 825	19 467	24 058	22 000	-8.6
Others	1 379	986	851	1 325	55.8
Arabicas	5 106	5 206	6 304	6 772	7.4
Robustas	32 105	31 107	34 695	35 691	2.9
<b>Mexico &amp; Central America</b>	<b>16 667</b>	<b>18 080</b>	<b>19 964</b>	<b>20 306</b>	<b>1.7</b>
Costa Rica	1 304	1 392	1 462	1 686	15.3
El Salvador	1 075	1 850	1 163	1 420	22.1
Guatemala	3 835	3 950	3 840	4 000	4.2
Honduras	3 575	4 326	5 976	5 400	-9.6
Mexico	4 109	3 994	4 546	5 160	13.5
Nicaragua	1 871	1 669	1 774	1 530	-13.7
Others	899	899	1 203	1 110	-7.8
Arabicas	16 535	17 894	19 722	20 070	1.8
Robustas	132	187	242	236	-2.7
<b>South America</b>	<b>53 045</b>	<b>62 893</b>	<b>58 853</b>	<b>66 410</b>	<b>12.8</b>
Brazil	39 470	48 095	43 484	50 480	16.1
Colombia	8 098	8 523	7 644	9 000	17.7
Ecuador	813	854	1 075	1 000	-7.0
Peru	3 286	4 069	5 581	4 750	-14.9
Others	1 377	1 353	1 069	1 180	10.4
Arabicas	41 988	50 931	47 020	53 405	13.6
Robustas	11 056	11 962	11 833	13 005	9.9
<b>TOTAL</b>	<b>122 805</b>	<b>133 515</b>	<b>134 621</b>	<b>145 964</b>	<b>8.4</b>
Colombian Milds	9 181	9 726	8 629	10 447	21.1
Other Milds	26 414	28 851	31 687	31 913	0.7
Brazilian Naturals	37 191	45 626	40 967	47 570	16.1
Robustas	50 019	49 313	53 338	56 035	5.1
Arabicas	72 786	84 202	81 283	89 929	10.6
Robustas	50 019	49 313	53 338	56 035	5.1
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	
Colombian Milds	7.5	7.3	6.4	7.2	
Other Milds	21.5	21.6	23.5	21.9	
Brazilian Naturals	30.3	34.2	30.4	32.6	
Robustas	40.7	36.9	39.6	38.4	
Arabicas	59.3	63.1	60.4	61.6	
Robustas	40.7	36.9	39.6	38.4	

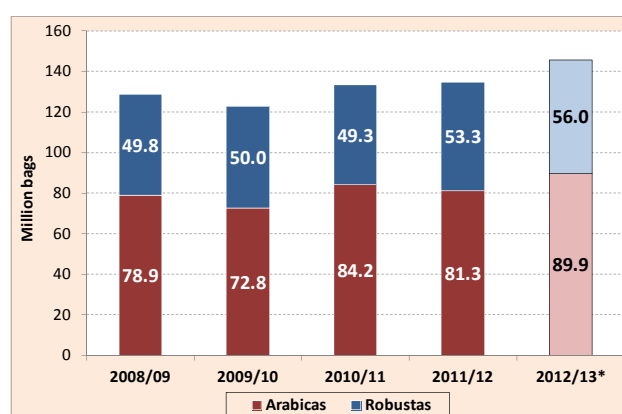
In thousand bags

\*Provisional

## Market fundamentals

Crop year 2012/13 is now under way in all exporting countries. On the basis of the latest information received from Members, **total production** in 2012/13 is provisionally estimated at around 146 million bags (Table 3), compared to 134.6 million bags in 2011/12, an increase of 8.4%. Total output of Arabicas is currently forecast at around 90 million bags, which would represent a 10.6% increase on 81.3 million bags in 2011/12. This growth can mostly be attributed to the on-year of the Brazilian cycle of Arabica production. Production of Robustas is provisionally set to rise 5.1% to around 56 million bags (Graph 4), despite an estimated 8.6% decrease in Vietnam.

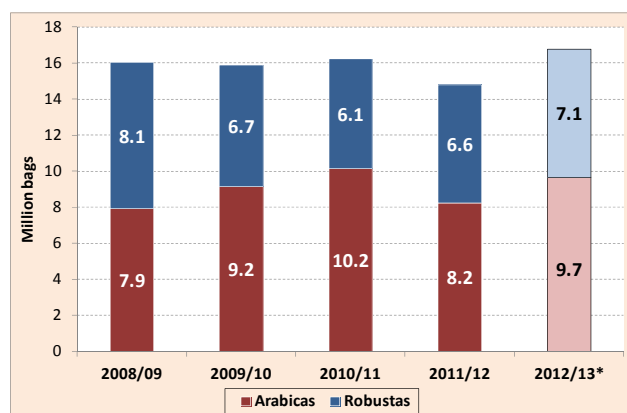
Graph 4: World production by exporting countries (2008/09 – 2012/13\*)



\* Provisional

In **Africa**, early indications are for a relatively strong crop, with production of both Arabicas and Robustas expected to increase compared to the previous year (Graph 5). In Ethiopia, production fell to 6 million bags in 2011/12, but a reasonable recovery is anticipated in 2012/13 to 6.5 million bags. Similarly, low rainfall in Uganda reduced production to 2.8 million bags in 2011/12, but early signs are that the 2012/13 crop will improve to around 3 million bags. In Côte d'Ivoire, production in 2011/12 recovered strongly to 1.9 million bags following the political crisis of the previous year, and production in 2012/13 is likely to remain around this higher level. Increases are also provisionally forecast in Cameroon, Kenya and Tanzania, which would bring total production in Africa to 16.8 million bags, representing 11.5% of the world total.

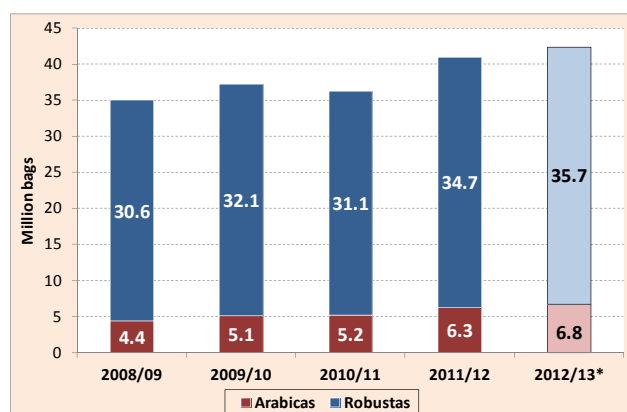
**Graph 5: Production in Africa  
(2008/09 – 2012/13\*)**



\* Provisional

In **Asia & Oceania**, total production is currently estimated at 42.5 million bags, a slight increase on the 41 million bags produced in 2011/12 (Graph 6). This volume would account for 29.1% of world production in 2012/13. In Vietnam, a decrease of 8.6% is forecast compared to last year's record production levels, but this could be offset by increased production in Indonesia, which is set to recover from a weather-affected crop of 8.6 million bags in 2011/12. India is also estimated to record a slight increase to around 5.4 million bags.

**Graph 6: Production in Asia & Oceania  
(2008/09 – 2012/13\*)**

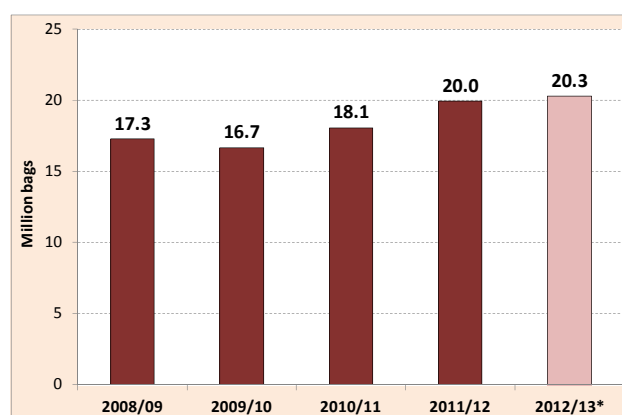


\* Provisional

Aggregate production in **Mexico & Central America** is currently estimated to remain in the vicinity of 20 million bags (Graph 7). Honduras recorded a

record crop in 2011/12 of nearly 6 million bags, although slightly lower levels are estimated for 2012/13. Mexico, on the other hand, is looking at stronger production levels, following favourable weather conditions at the start of the crop year. Costa Rica, El Salvador and Guatemala are also provisionally forecast higher production levels, of 1.7 million, 1.4 million, and 4 million bags, respectively. However, these could yet be curtailed by the spread of coffee leaf rust, which is affecting several countries in Central America.

**Graph 7: Production in Mexico & Central America<sup>1</sup>  
(2008/09 – 2012/13\*)**

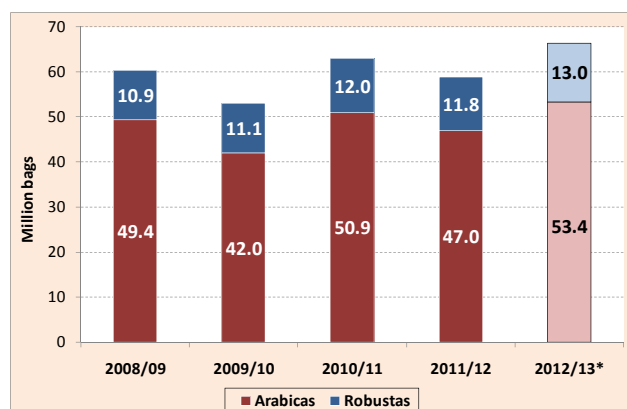


\* Provisional

1/ Coffee production in Mexico & Central America is 99% Arabica, so only the total is shown

With Brazil now in the on-year of its production cycle, total output in **South America** is forecast to increase significantly in 2012/13 (Graph 8). Brazil is expecting a record crop of 50.48 million bags, comprising 37.9 million bags of Arabica and 12.5 million bags of Robusta. In Colombia, production in 2011/12 fell to an estimated 7.6 million bags, although there were promising signs of recovery in the second half of the crop year. Production in 2012/13 is therefore provisionally forecast to recover to around 9 million bags. Following record production levels in 2011/12, Peru is looking at a decrease in the order of 15%, whereas Ecuador is expected to maintain an output of around 1 million bags. Total production in South America could therefore reach some 66.4 million bags, 45.5% of the world total.

**Graph 8: Production in South America (2008/09 – 2012/13\*)**

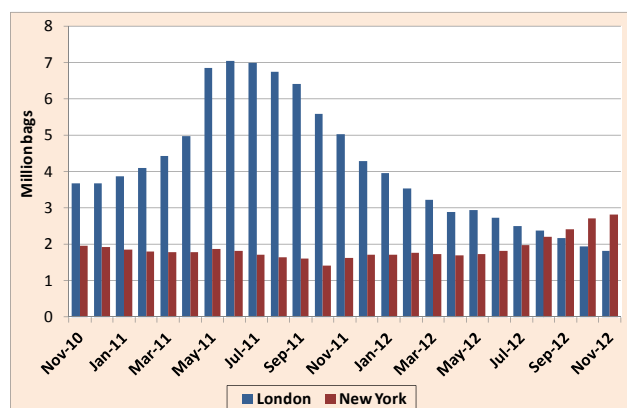


\* Provisional

**Exports** in October 2012 reached 8.9 million bags, a 17.3% increase on the 7.6 million bags exported in October 2011. This brings total exports for the first ten months of calendar year 2012 to 92.2 million bags, 5.4% higher than the same period in 2011 (Table 4). The driving force behind this increase has been exports of Robusta coffee, which grew by 17.3% over the time period. Exports by Vietnam, in particular, are estimated to have increased by 46.2%, whereas exports by Brazil fell by 18.1%.

**Certified stocks** in the New York and London futures markets are shown in Graph 9. Stocks in New York increased to 2.8 million bags at the end of November 2012, the highest level since March 2010, whereas in London they fell to 1.8 million bags, the lowest level for over five years. Furthermore, total inventories in importing countries were 19.8 million bags in September 2012, compared to 22.2 million in September 2011.

**Graph 9: Certified stocks in New York and London (November 2010 – November 2012)**



**Table 4: Total exports of all forms of coffee (January to October 2011 and 2012)**

	2011	2012	% change
<b>TOTAL</b>	<b>87 526</b>	<b>92 219</b>	<b>5.4</b>
Colombian Milds	7 009	6 559	-6.4
Other Milds	22 414	23 980	7.0
Brazilian Naturals	26 161	24 214	-7.4
Robustas	31 943	37 466	17.3
Arabicas	55 583	54 753	-1.5
Robustas	31 943	37 466	17.3
Angola	6	6	9.4
Benin	0	0	
Bolivia	55	58	6.2
Brazil	27 456	22 479	-18.1
Burundi	168	286	70.5
Cameroon	453	471	3.8
Central African Republic	78	78	-0.3
Colombia	6 103	5 646	-7.5
Congo, Dem. Rep. of	110	133	21.3
Congo, Rep. of	0	0	
Costa Rica	1 095	1 232	12.5
Côte d'Ivoire	656	1 604	144.6
Cuba	7	14	103.9
Dominican Republic	80	101	25.0
Ecuador	1 232	1 294	5.1
El Salvador	1 715	948	-44.8
Ethiopia	2 433	2 651	9.0
Gabon	1	0	
Ghana	115	59	-49.0
Guatemala	3 413	3 469	1.6
Guinea	317	326	2.9
Haiti	8	9	2.8
Honduras	3 510	5 066	44.3
India	5 176	4 819	-6.9
Indonesia	5 151	6 577	27.7
Jamaica	15	14	-5.2
Kenya	552	595	7.8
Liberia	3	1	-63.2
Madagascar	121	83	-31.9
Malawi	21	14	-30.8
Mexico	2 561	3 097	20.9
Nicaragua	1 387	1 738	25.3
Nigeria	1	0	
Panama	51	41	-19.0
Papua New Guinea	975	812	-16.7
Paraguay	0	1	
Peru	3 446	3 421	-0.7
Philippines	9	3	-69.1
Rwanda	216	154	-28.5
Sierra Leone	23	26	11.5
Tanzania	663	524	-20.9
Thailand	213	297	39.3
Timor-Leste	36	22	-39.5
Togo	152	134	-11.9
Uganda	2 673	2 220	-16.9
Venezuela	0	1	60.4
Vietnam	14 650	21 425	46.2
Yemen	27	23	-17.8
Zambia	8	8	-2.0
Zimbabwe	3	3	-15.3
Other exporting countries 1/	381	236	-37.9

In thousand bags

1/ Equatorial Guinea, Guyana, Laos, Nepal, Sri Lanka, and Trinidad and Tobago

Table 5 shows **world consumption** of all forms of coffee in the last four calendar years, which is estimated to have reached 139 million bags in 2011. Exporting countries recorded the highest growth rates, adding 4.5 million bags over the time period, with importing countries registering more modest growth rates. Early indications are that demand continued to remain buoyant in 2012.

**Table 5: World coffee consumption  
(Calendar years 2008 to 2011)**

	2008	2009	2010	2011	2011-2008	
					Difference	% change
<b>World total</b>	<b>132 959</b>	<b>132 461</b>	<b>137 097</b>	<b>139 000</b>	<b>6 041</b>	<b>4.5</b>
<b>Exporting countries</b>	<b>37 943</b>	<b>39 799</b>	<b>41 041</b>	<b>42 436</b>	<b>4 494</b>	<b>11.8</b>
Brazil	17 526	18 583	19 070	19 573	2 046	11.7
Ethiopia	2 933	3 089	3 253	3 383	451	15.4
Indonesia	3 333	3 333	3 333	3 333	0	0.0
Mexico	2 200	2 200	2 239	2 354	154	7.0
Philippines	1 390	1 770	1 973	2 150	760	54.7
India	1 518	1 605	1 713	1 763	244	16.1
Venezuela	1 599	1 649	1 650	1 650	51	3.2
Vietnam	959	1 068	1 302	1 583	624	65.1
Others	6 485	6 502	6 509	6 648	164	2.5
<b>Importing countries</b>	<b>95 016</b>	<b>92 662</b>	<b>96 057</b>	<b>96 564</b>	<b>1 548</b>	<b>1.6</b>
<i>Traditional Markets</i>	<i>69 564</i>	<i>69 527</i>	<i>70 922</i>	<i>70 766</i>	<i>1 201</i>	<i>1.7</i>
USA	21 652	21 436	21 783	22 044	391	1.8
Germany	9 535	8 897	9 292	9 460	-74	-0.8
Japan	7 065	7 130	7 192	7 015	-50	-0.7
France	5 152	5 677	5 713	5 962	810	15.7
Italy	5 892	5 806	5 781	5 689	-203	-3.4
Canada	3 210	3 273	3 586	3 574	364	11.3
Spain	3 485	3 352	3 232	3 149	-337	-9.7
United Kingdom	3 067	3 220	3 134	2 925	-142	-4.6
Others	10 506	10 736	11 208	10 947	441	4.2
<i>Emerging Markets</i>	<i>25 452</i>	<i>23 135</i>	<i>25 135</i>	<i>25 798</i>	<i>347</i>	<i>1.4</i>
Russia	3 660	3 661	3 662	3 663	3	0.1
Korea, Rep. of	1 665	1 551	1 666	1 801	136	8.2
Algeria	2 118	2 066	2 021	1 789	-328	-15.5
Australia	1 145	1 223	1 370	1 407	262	22.9
Ukraine	1 733	1 460	1 485	1 324	-409	-23.6
Others	15 132	13 174	14 929	15 814	682	4.5

In thousand bags

*To conclude, early indications are that world coffee production in 2012/13 will increase significantly, boosted by the on-year in the Brazilian cycle of Arabica production. Strong production levels are also anticipated in several other exporting countries, although lower output is expected in Vietnam. World consumption also remains resilient, with significant potential demand in exporting countries and emerging markets, and stocks in importing countries remain at reasonably low levels.*