

ICO Coffee Seminar  
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London

World Supply and Demand Outlook

Stefan Uhlenbrock  
F.O. Licht Commodity Analysts  
Ratzeburg, Germany

If I just knew it...



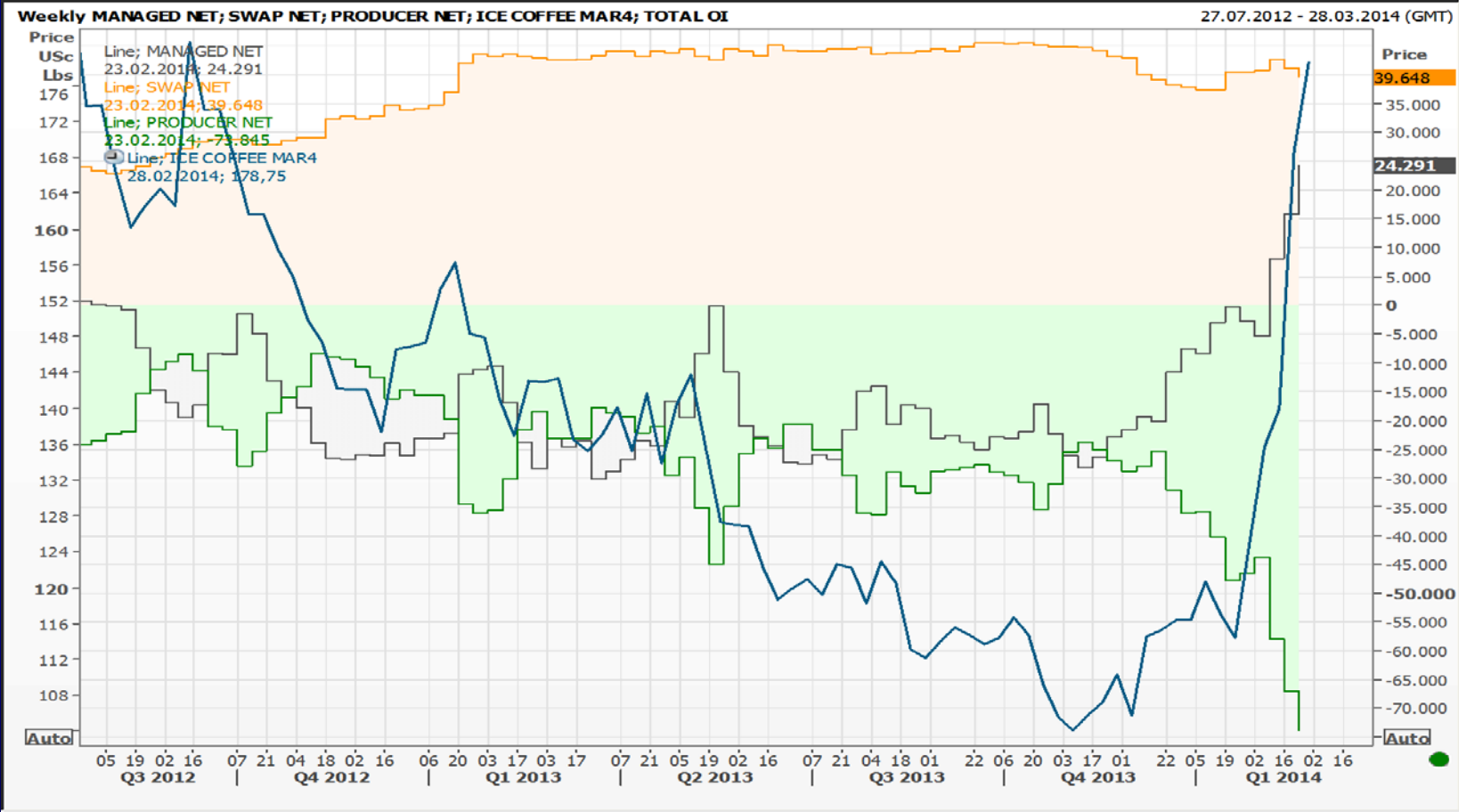
# World Arabica Coffee Prices: NY „C“ (US-Cents/lb)



# Coffee Price Volatility during the 1997 rally (US-Cents/lb)



# CFTC: Speculators boost net long to largest since May 2011

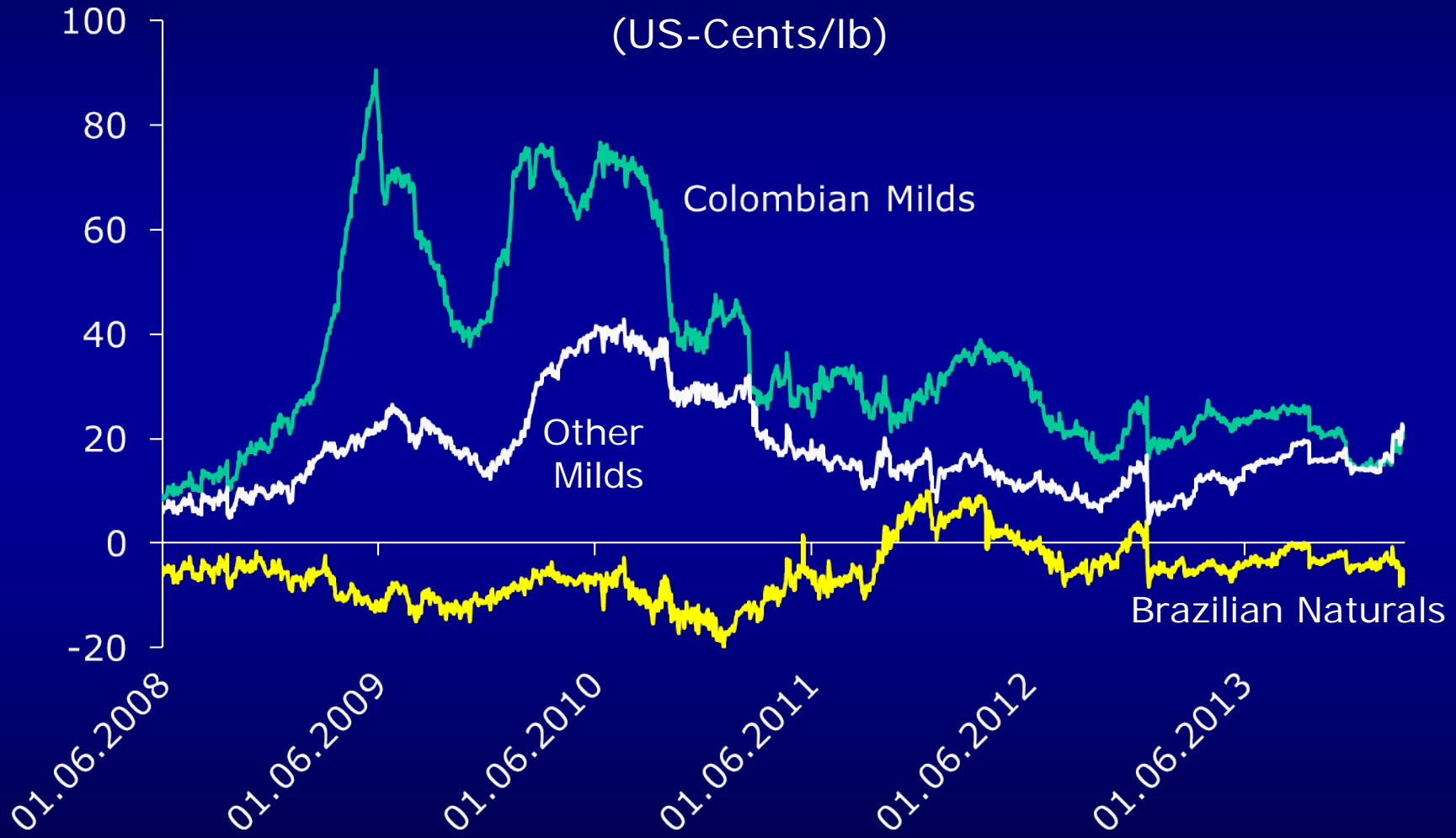


# NY Arabica Premium over London Robusta (US-Cents/lb)



# Differentials vs New York „C“

(US-Cents/lb)



# World Coffee Production

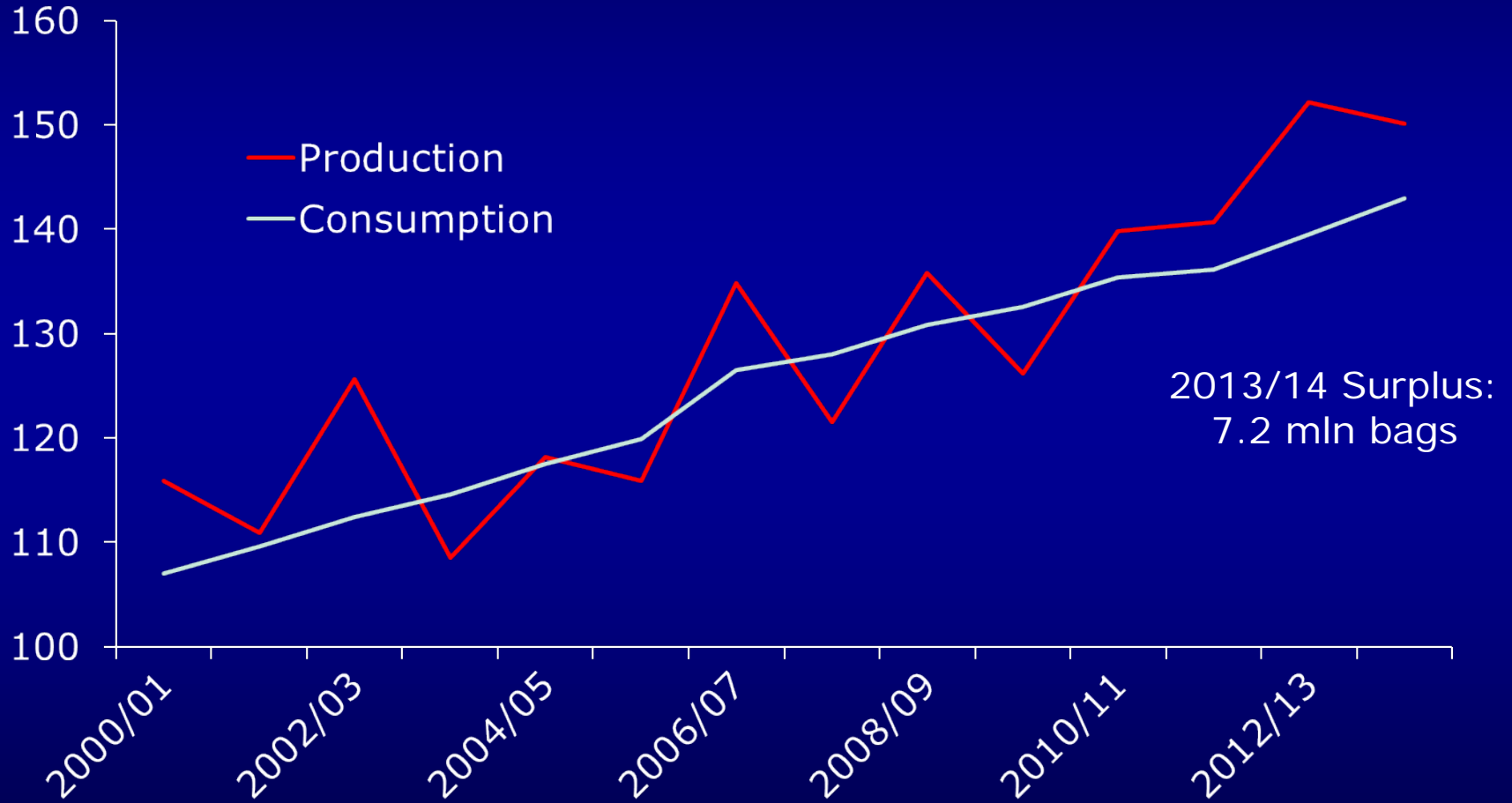
(mln 60-kg bags)





## World Coffee Balance

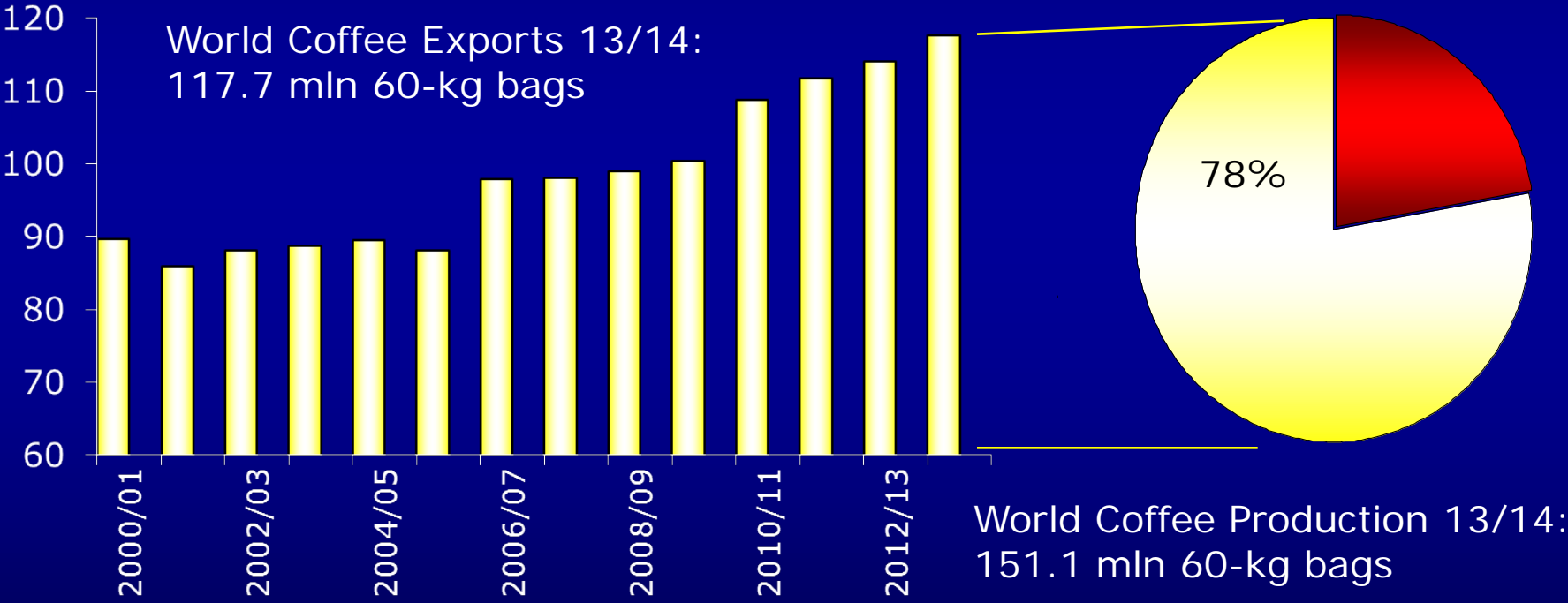
(mln 60-kg bags)



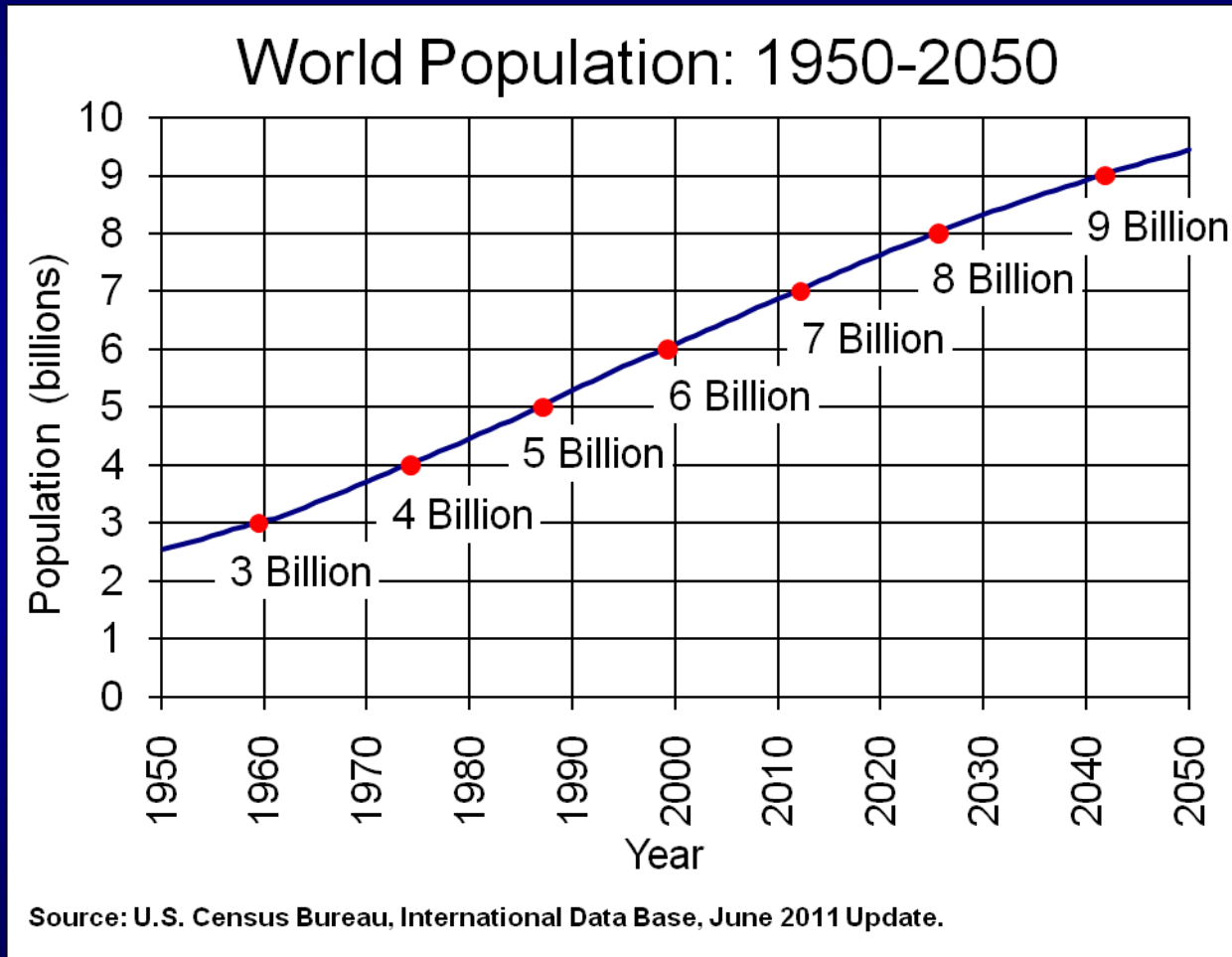
How about demand?

# Global Coffee Exports and World Production

(mln 60-kg bags)



## World population continues to rise ...



.... but in many areas with low per capita consumption

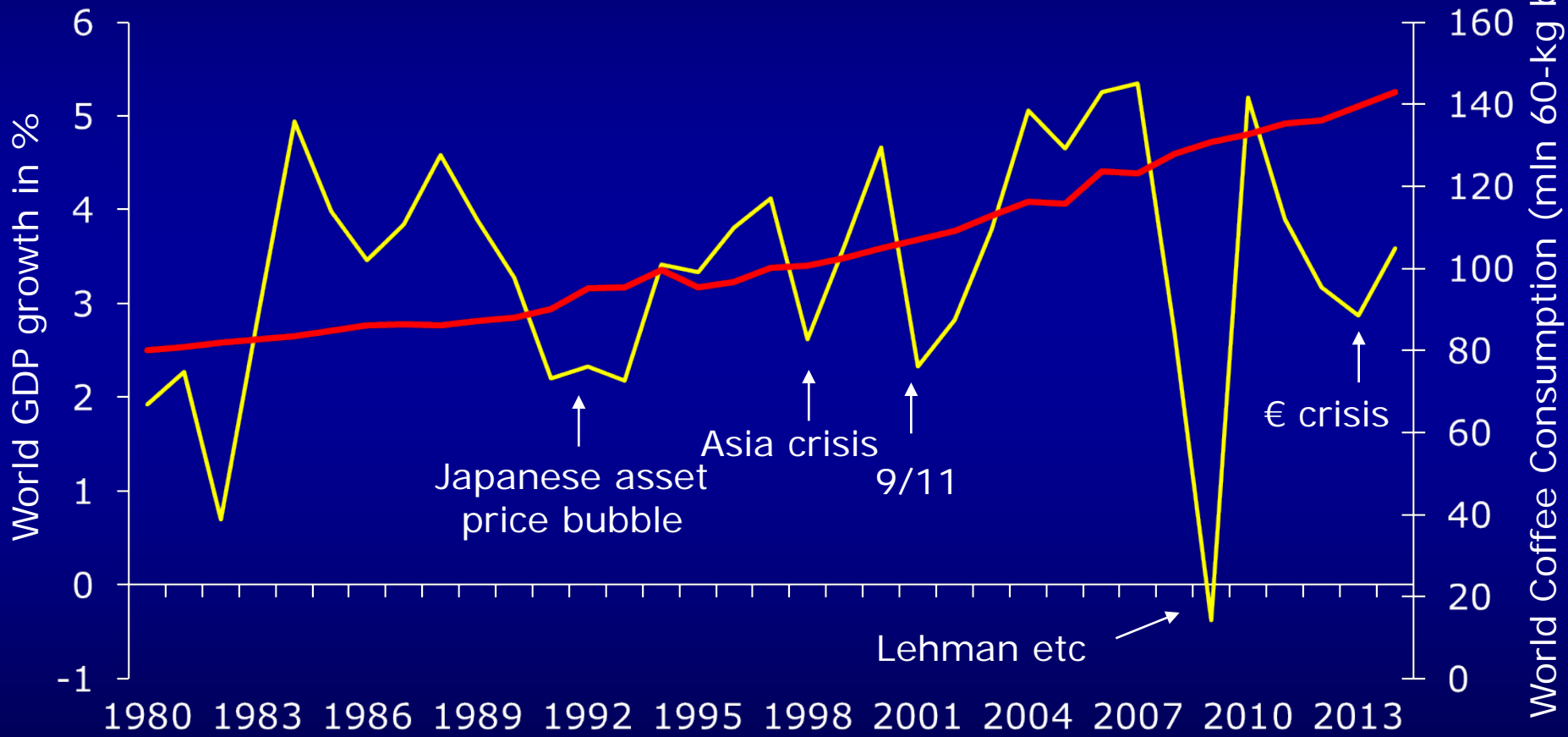


# Coffee Consumption in selected Countries

(mln 60-kg bags)

	2013/14	in %
1 USA	23.5	16.4
2 Brazil	20.7	14.5
3 Germany	9.4	6.6
4 Japan	7.5	5.2
5 France	5.8	4.1
6 Italy	5.7	4.0
7 Russia	4.4	3.1
8 Canada	4.3	3.0
9 Spain	3.7	2.6
10 United Kingdom	2.9	2.0
Total Top 10	87.9	61.5
Total Other	55.0	38.5
World Consumption	142.9	100.0

# Coffee Consumption not correlated to the World Economy

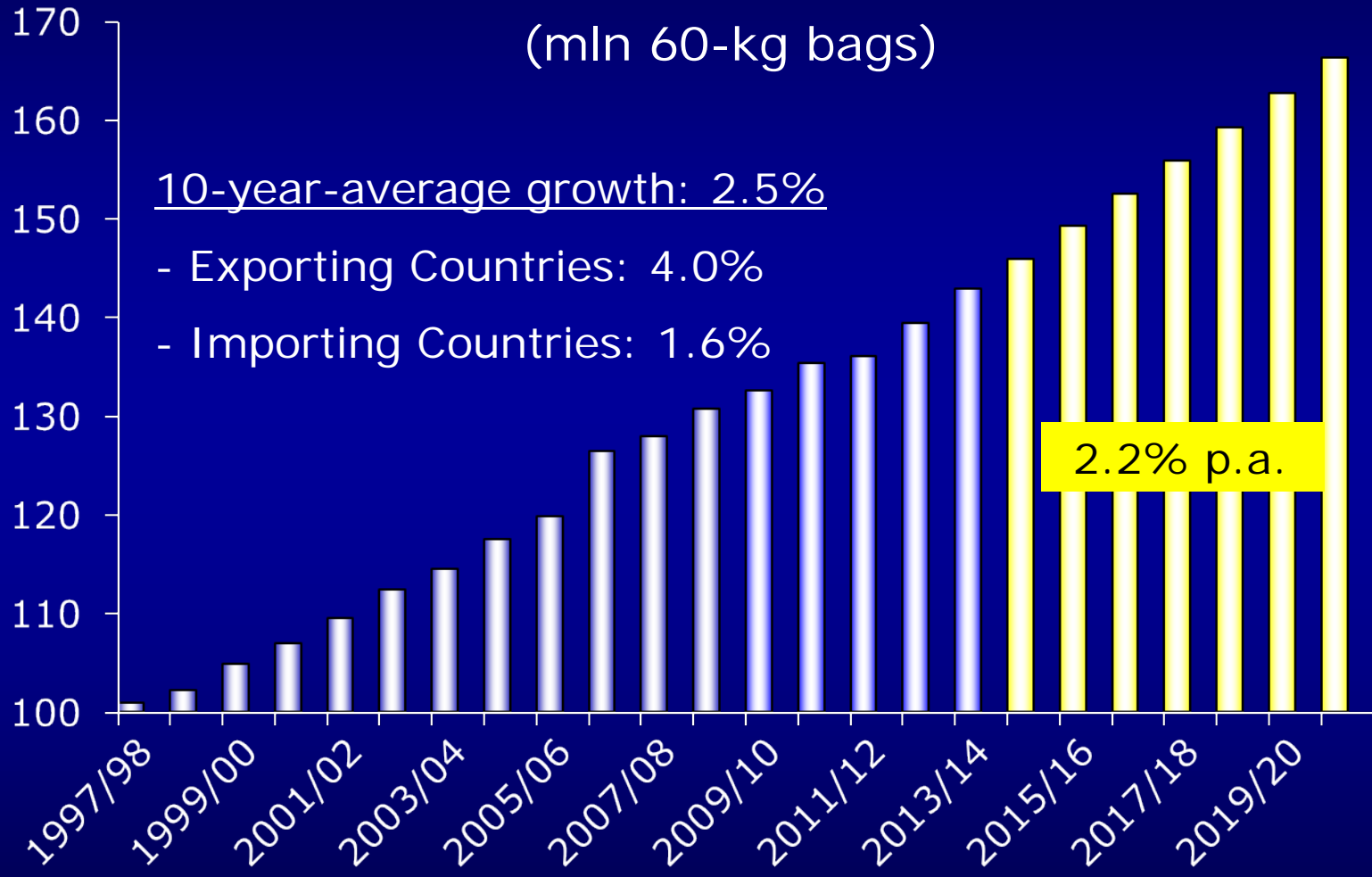


- Coffee demand has proved to be rather recession-proof
- The world population continues to rise by 75 mln people per year => 75 mln new potential customers p.a.!
- There is still room for additional consumption in fast growing Asian markets, but tea will remain the ordinary Joe's drink in China and India
- Tea is perceived as a smart healthy drink option, coffee not to the same degree



The World needs more coffee!

## World Coffee Consumption

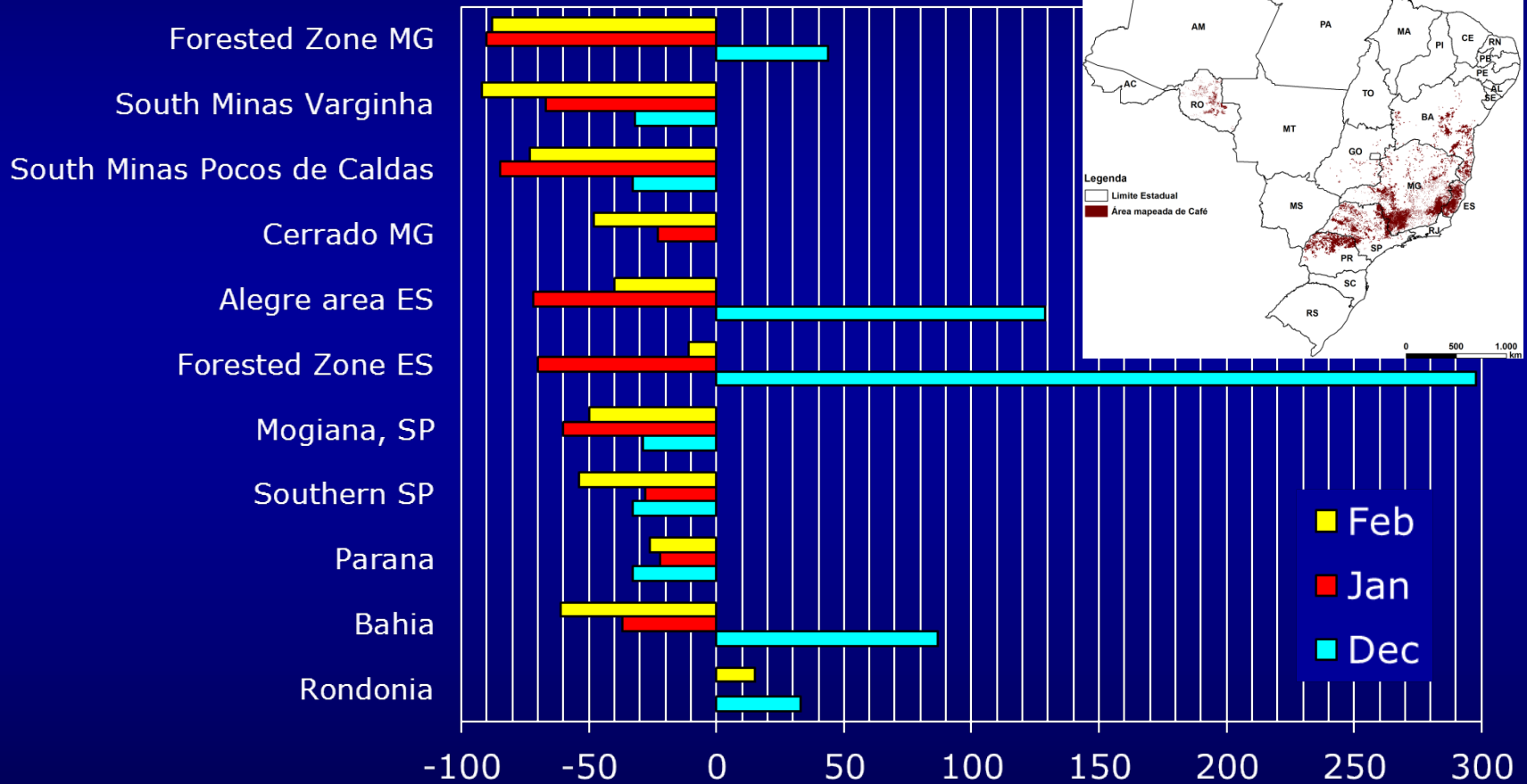


How about prospects for 2014/15?

# South America

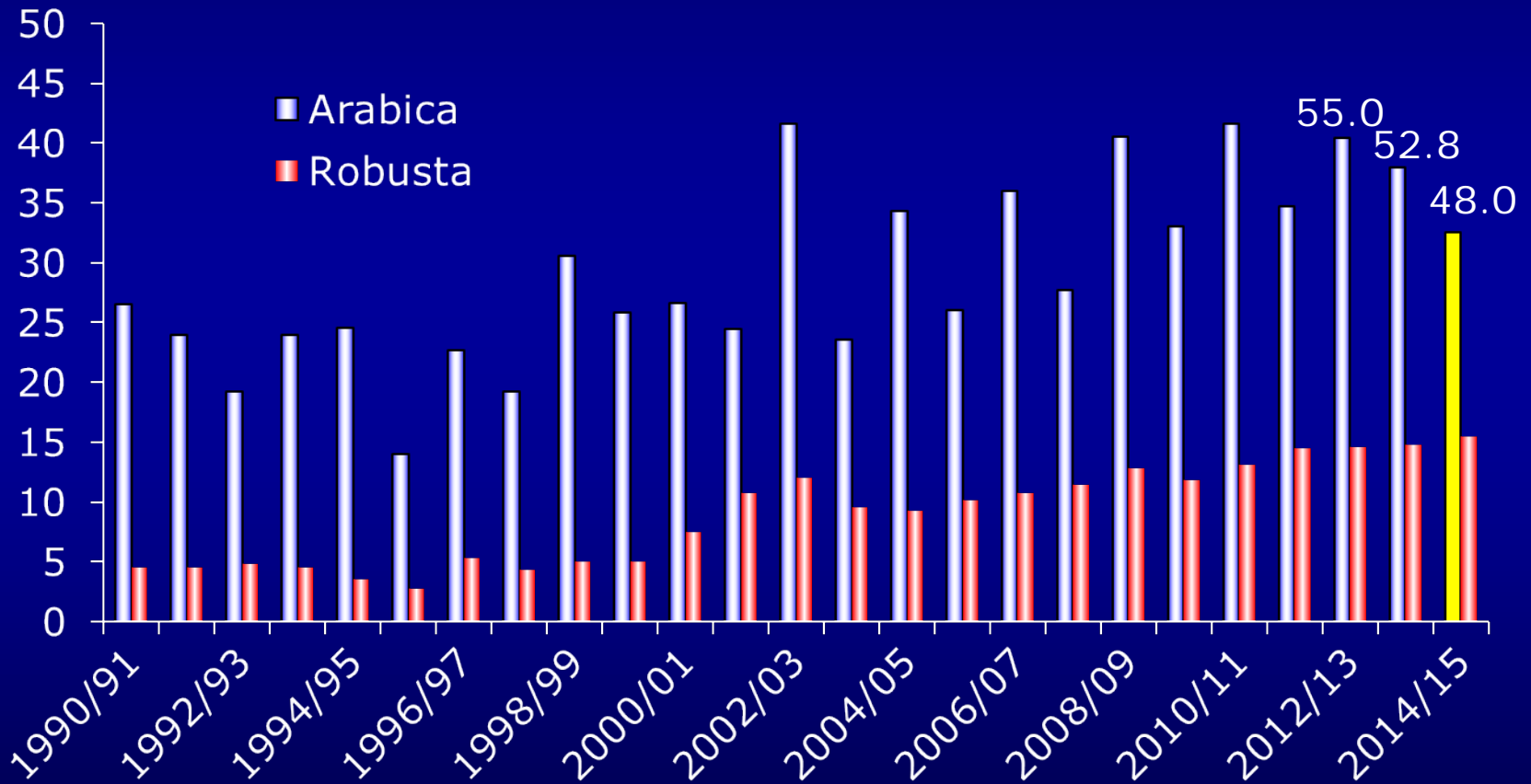
## Rainfall in Brazil's Coffee Areas

(in % of Average)



# Brazil: Coffee Production by Variety

(mln 60-kg bags)



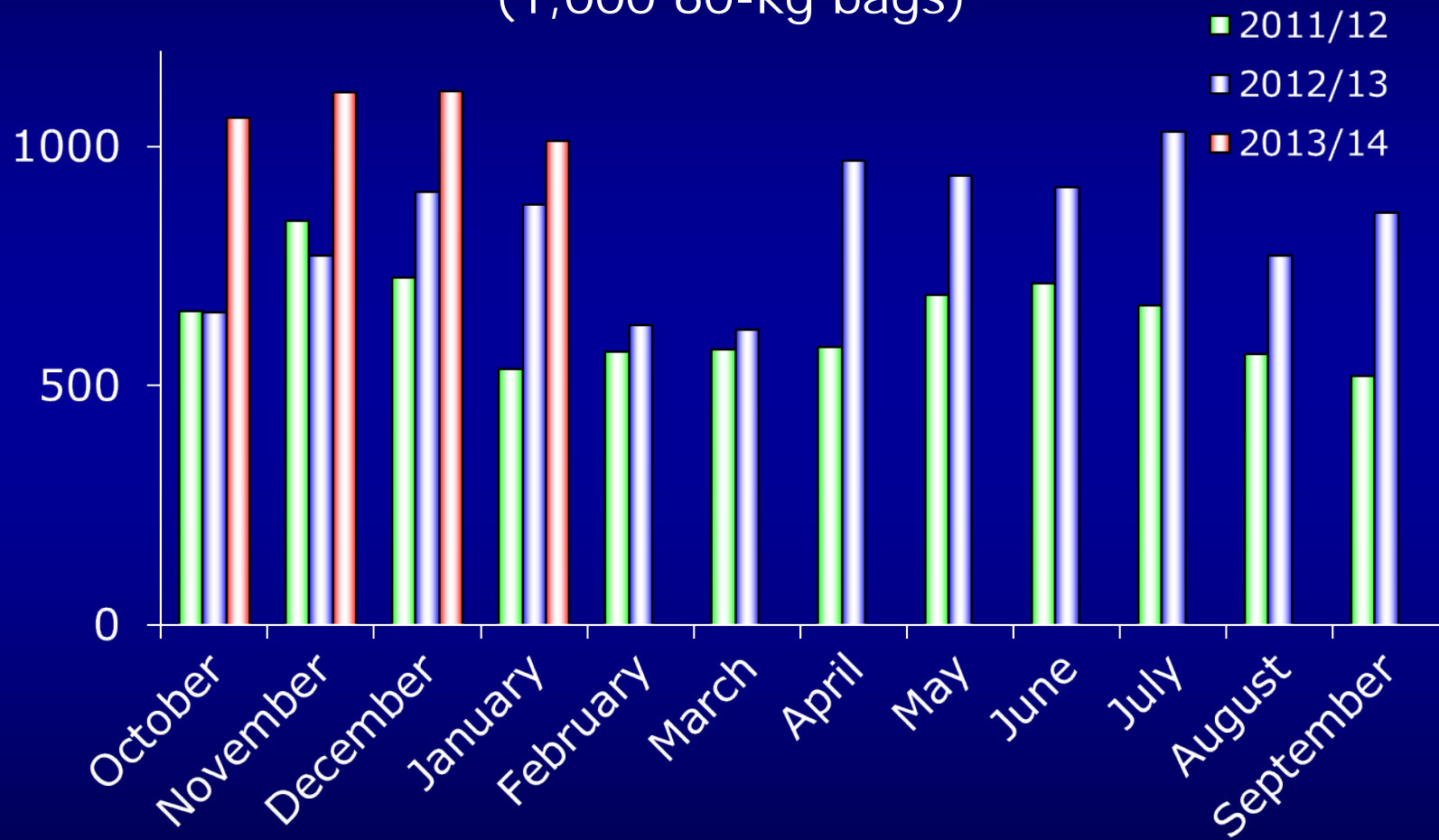
Brazil was supposed to enter its „on-year“ in  
2014/15

What was supposed to be a 60+ mln bag crop is  
now widely seen below 50 mln bags!!!

2014/15 will be the second „off-year“ in a row

# Colombia: Monthly Coffee Production

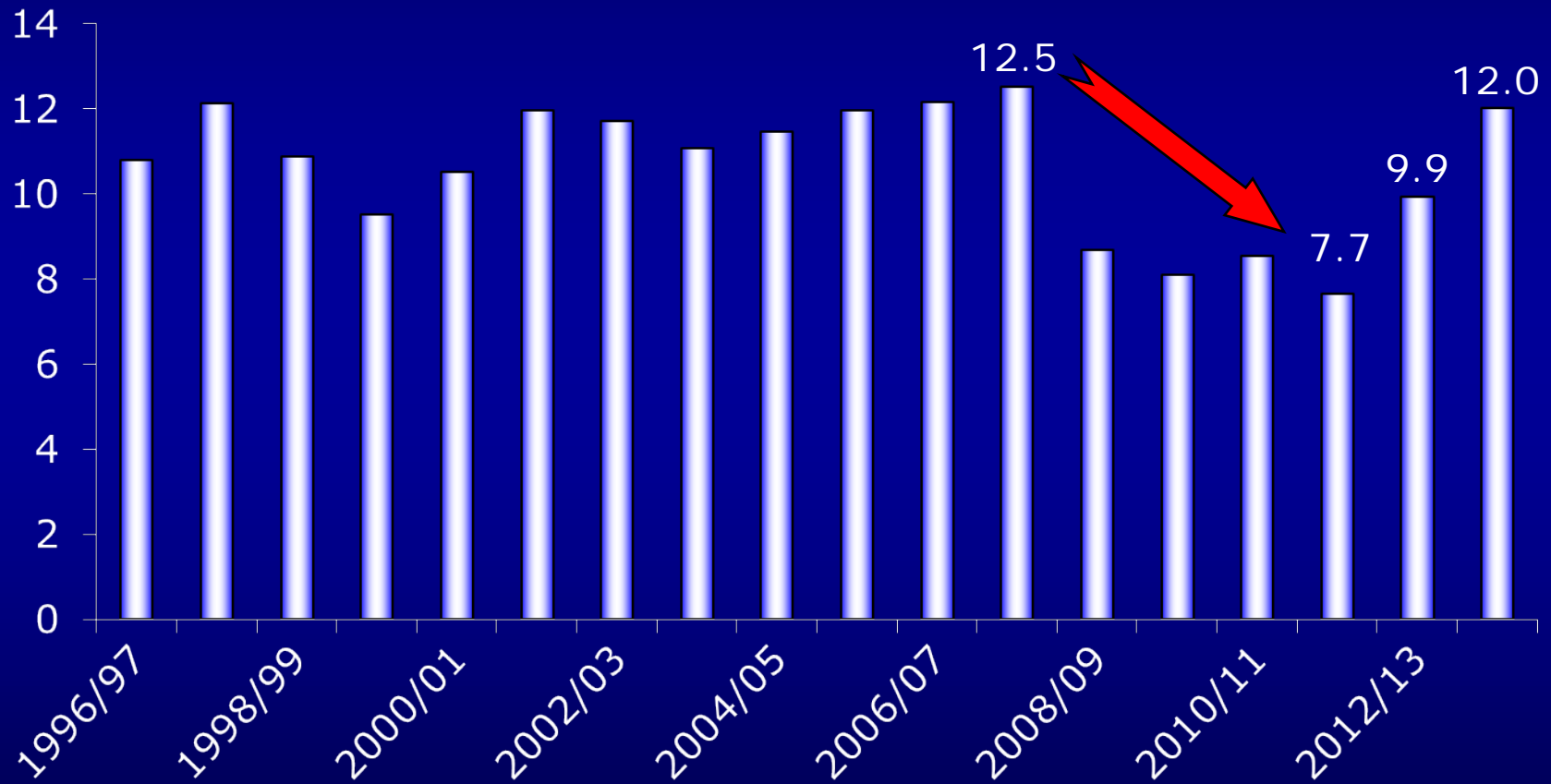
(1,000 60-kg bags)





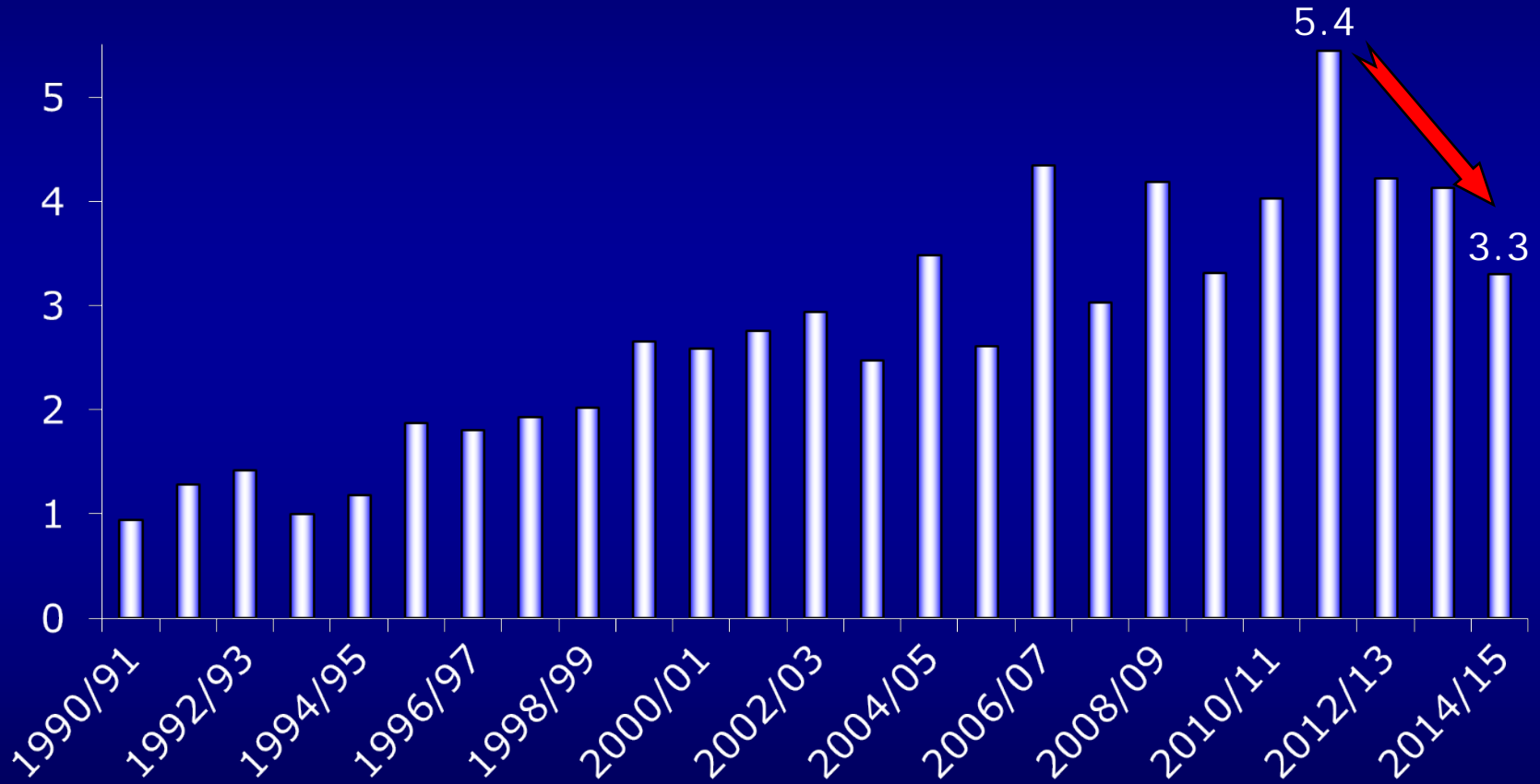
# Colombia: Coffee Production

(mln 60-kg bags)



# Peru: Coffee Production

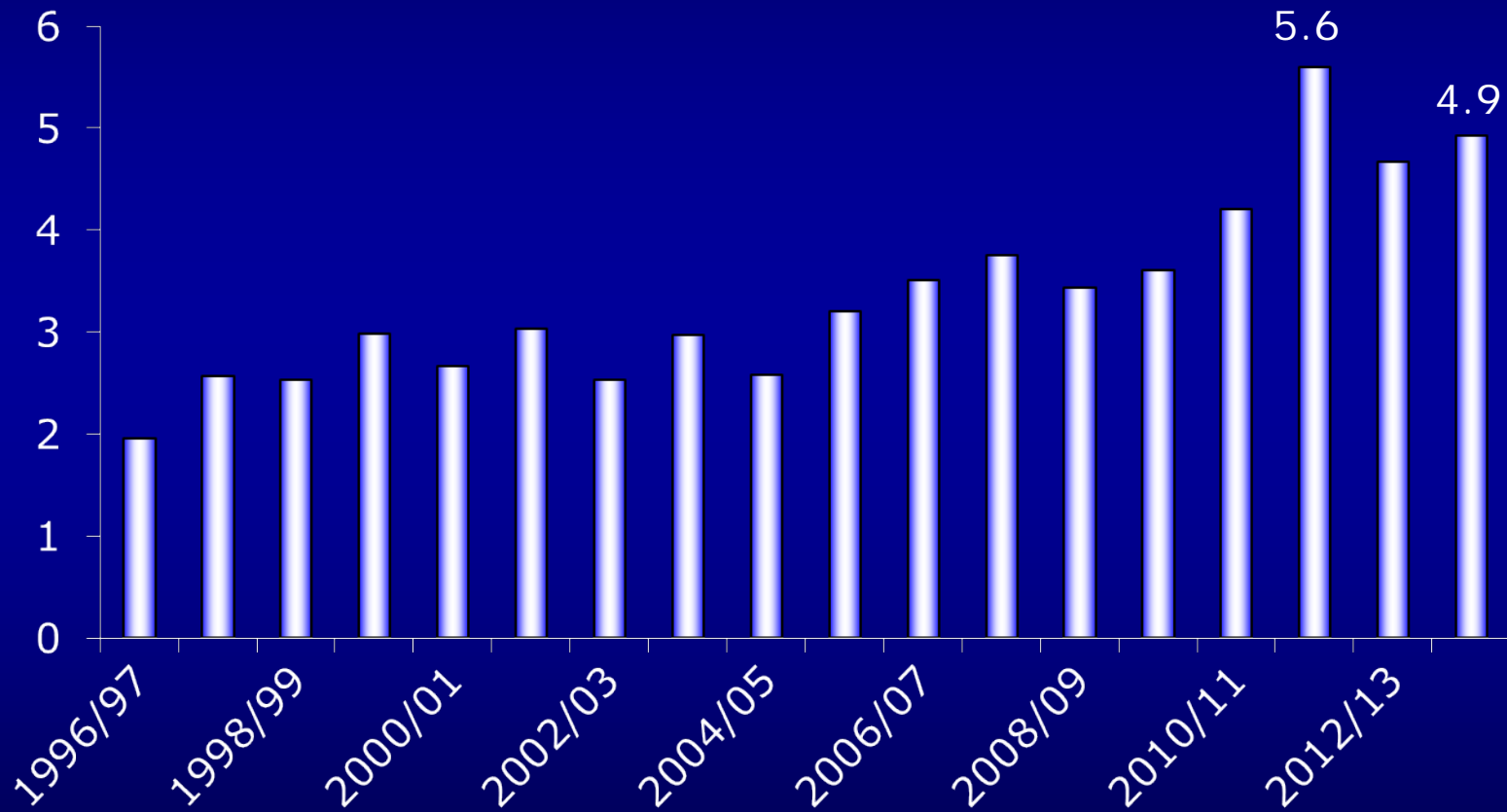
(mln 60-kg bags)



# Mexico and Central America

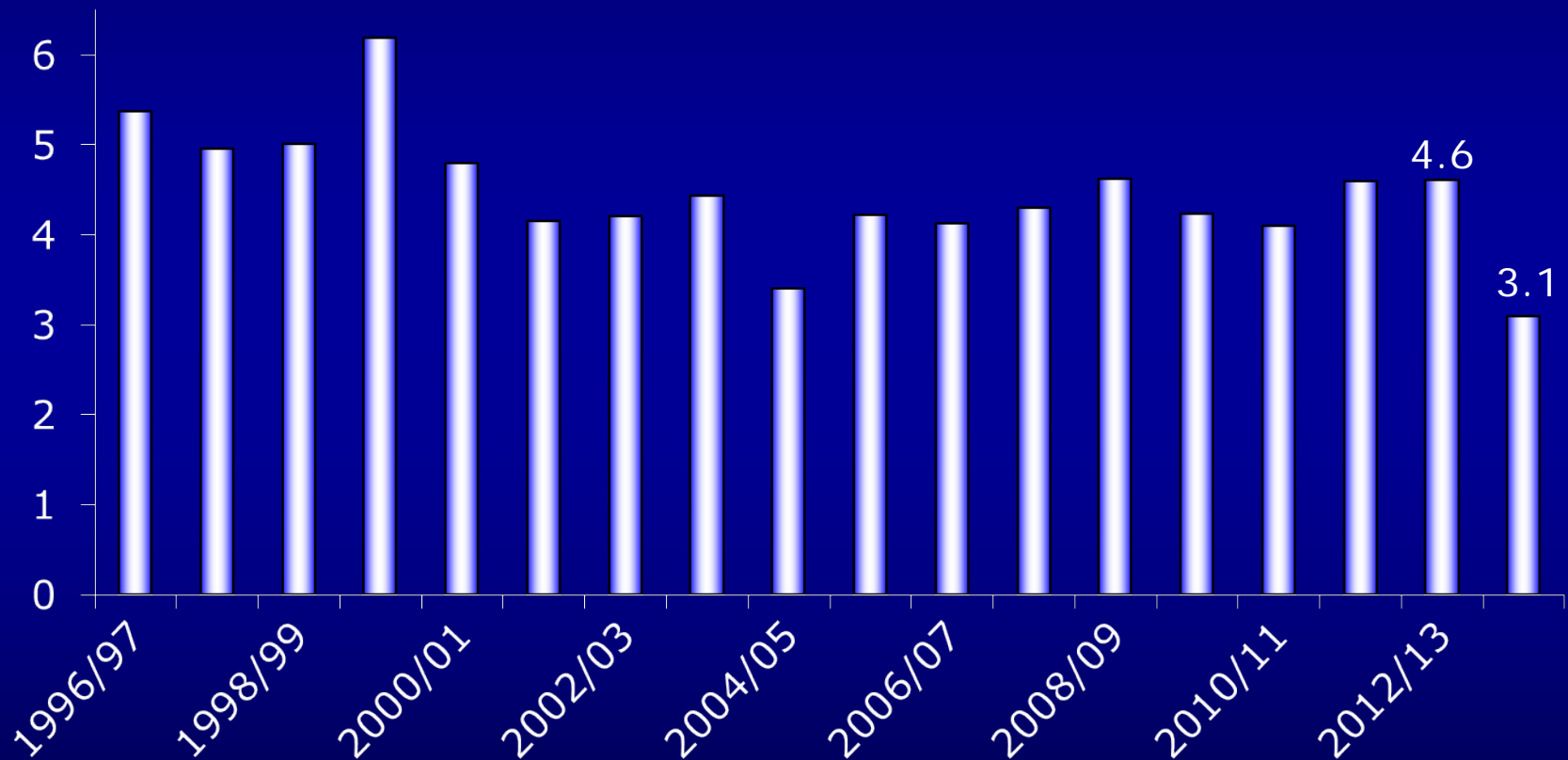
# Honduras: Coffee Production

(mln 60-kg bags)



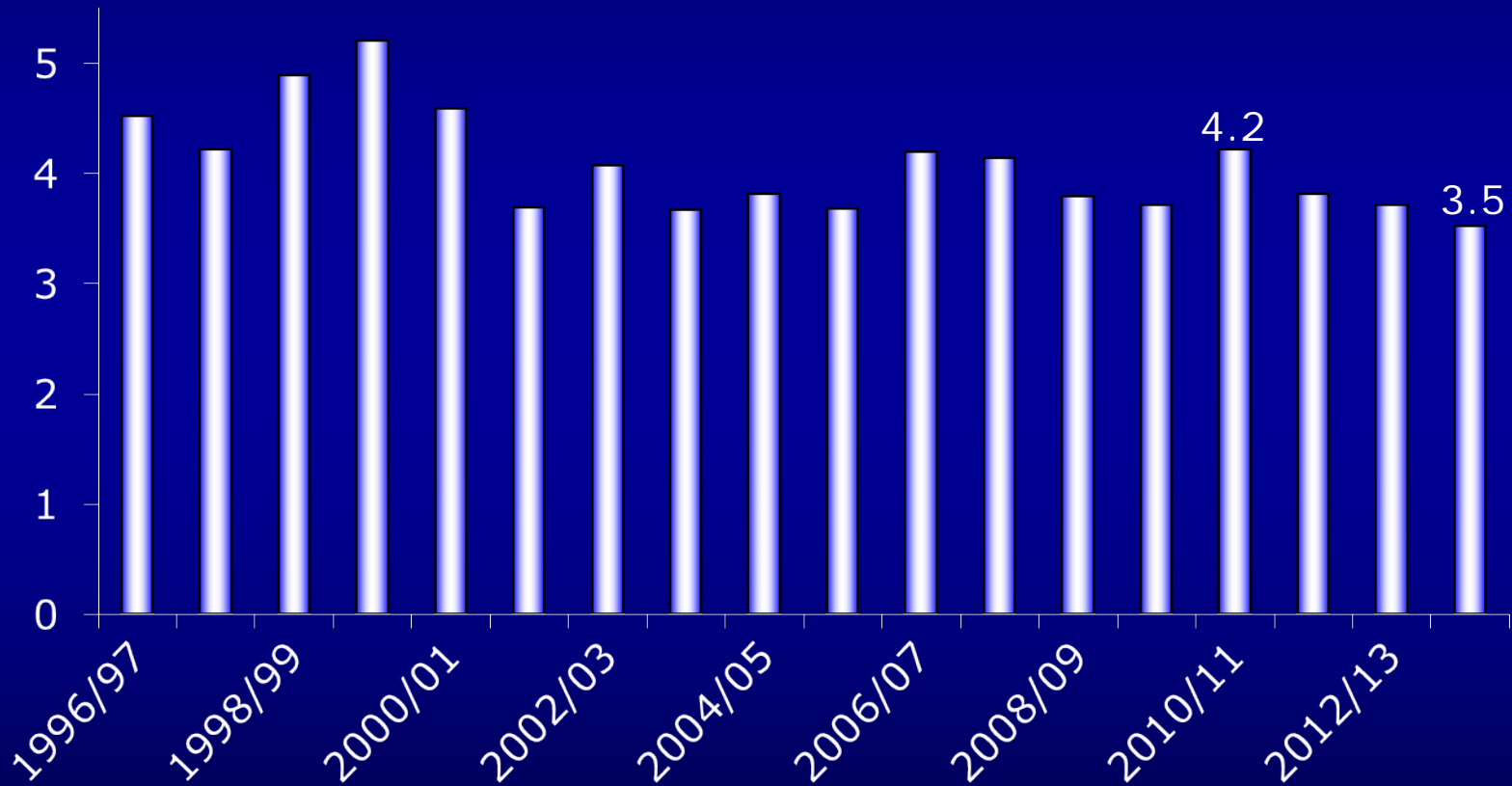
# Mexico: Coffee Production

(mln 60-kg bags)



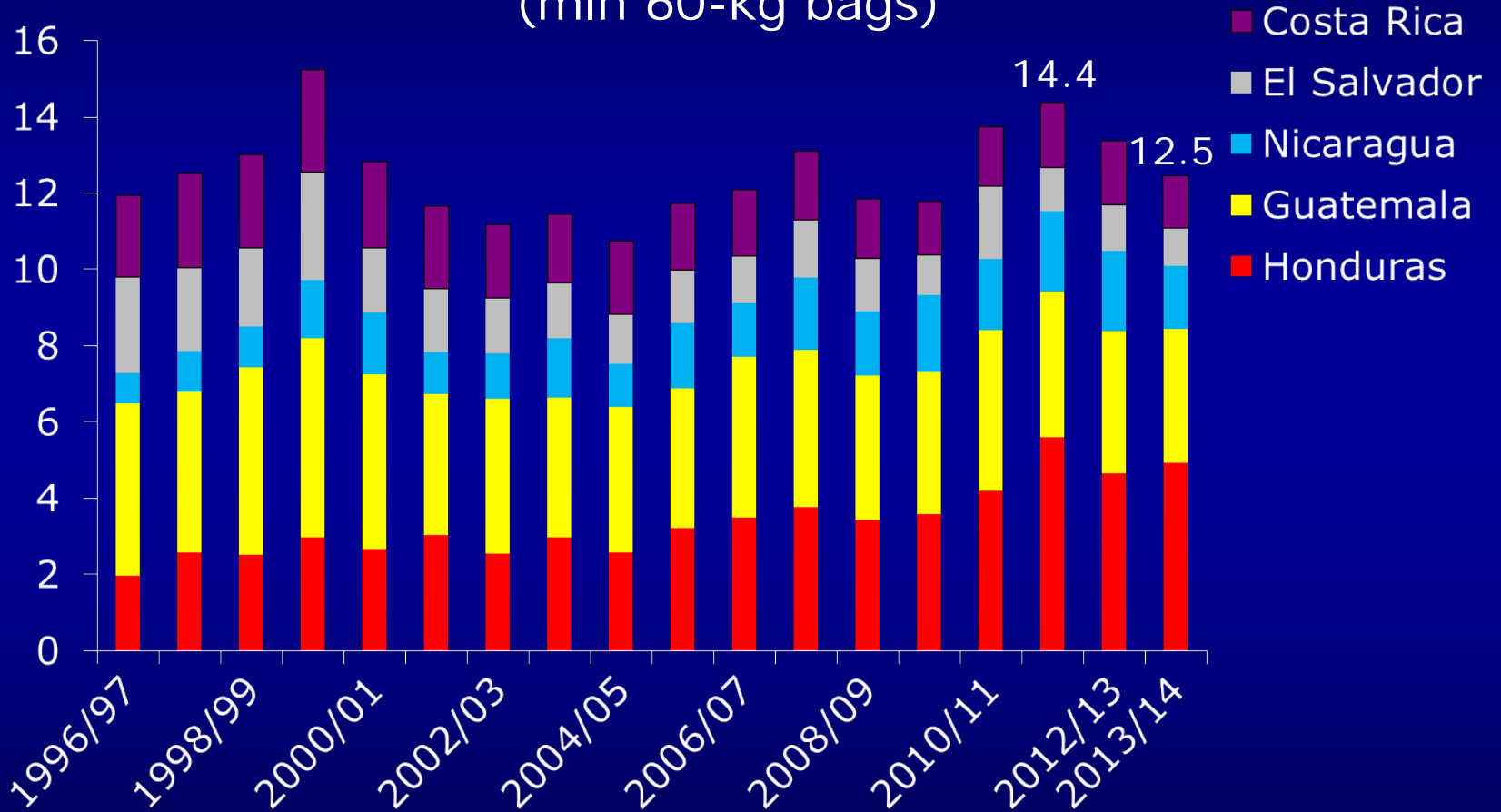
# Guatemala: Coffee Production

(mln 60-kg bags)



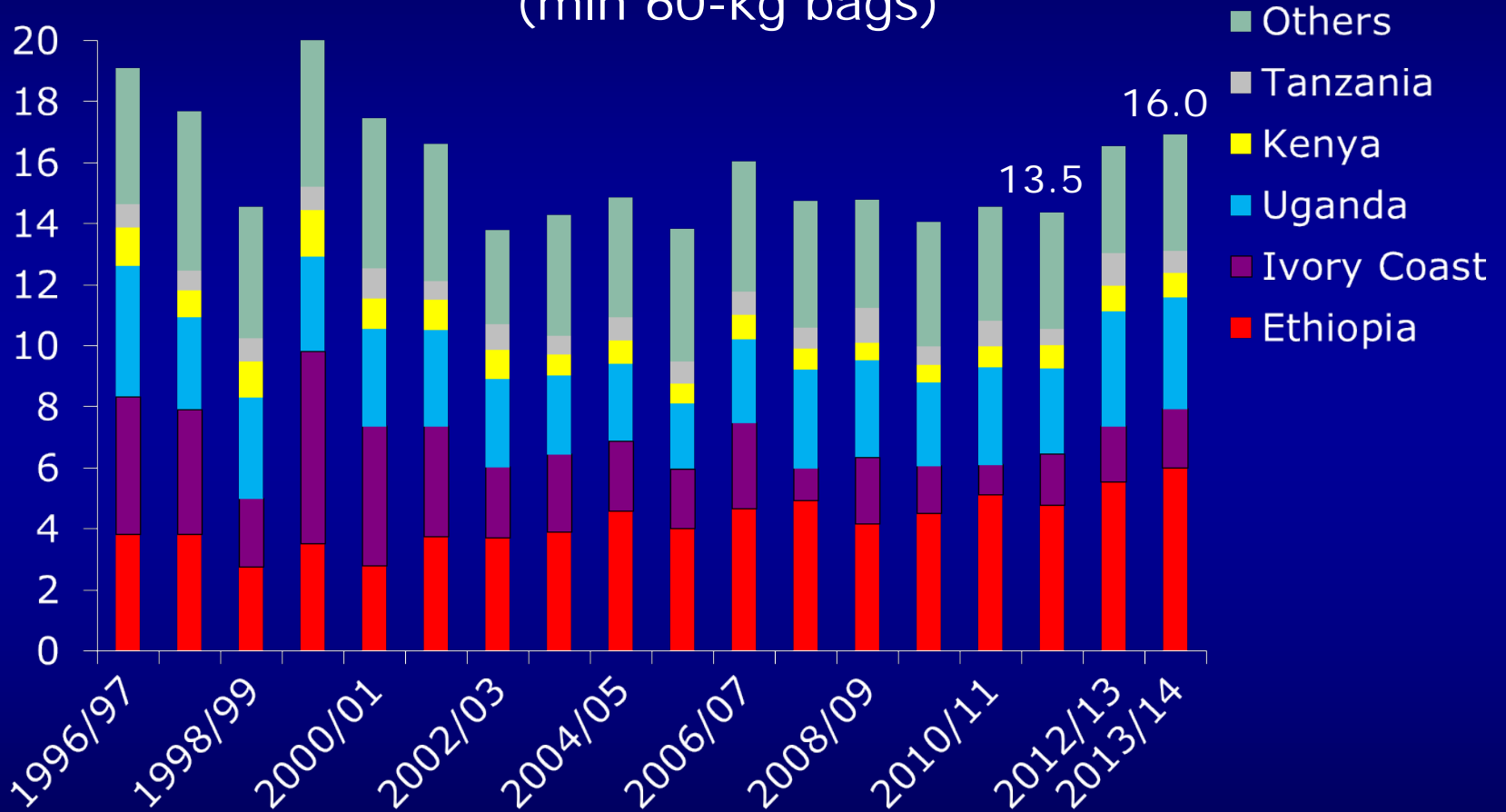
# Central America: Coffee Production

(mln 60-kg bags)



# Africa: Coffee Production

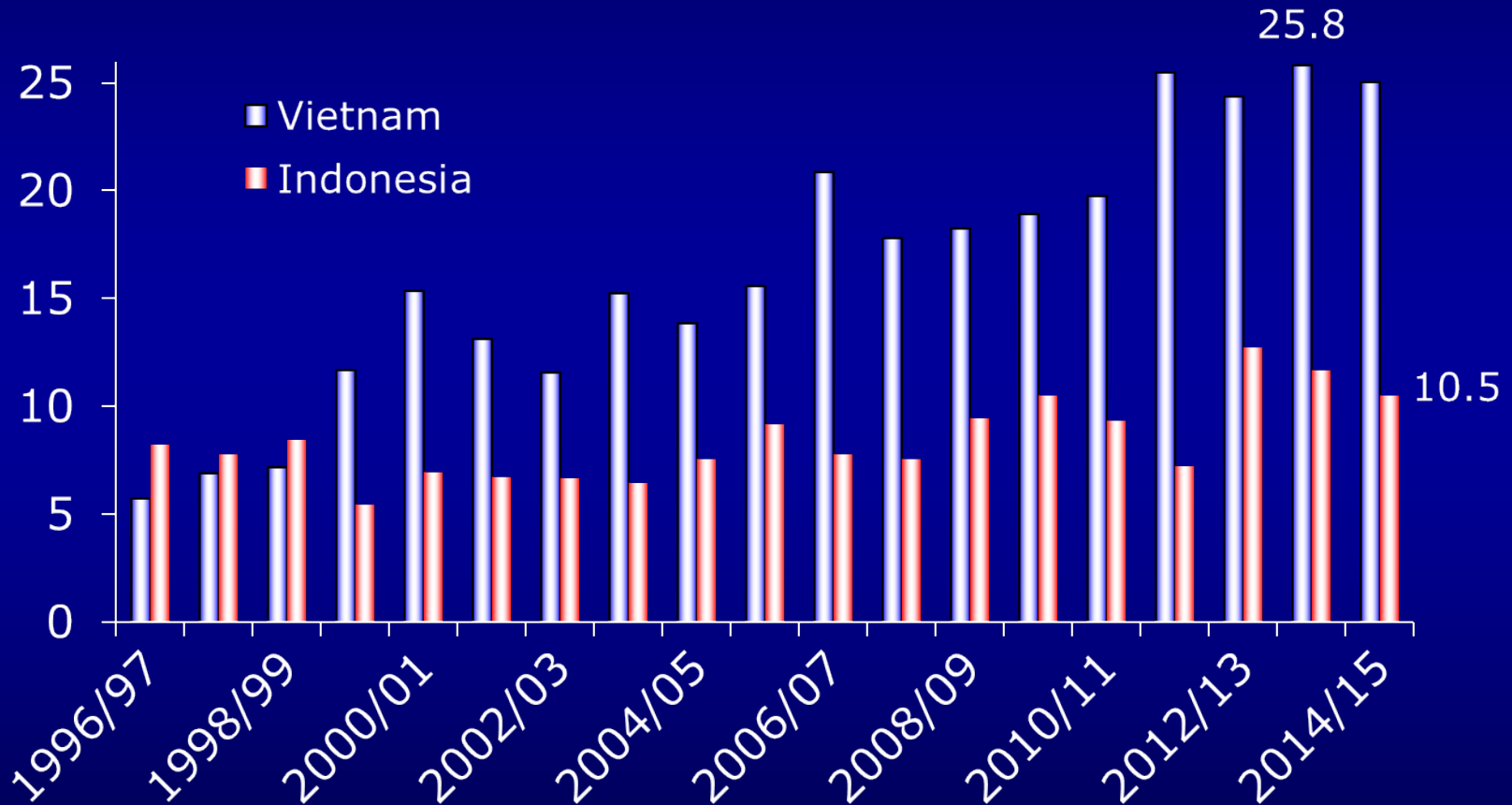
(mln 60-kg bags)





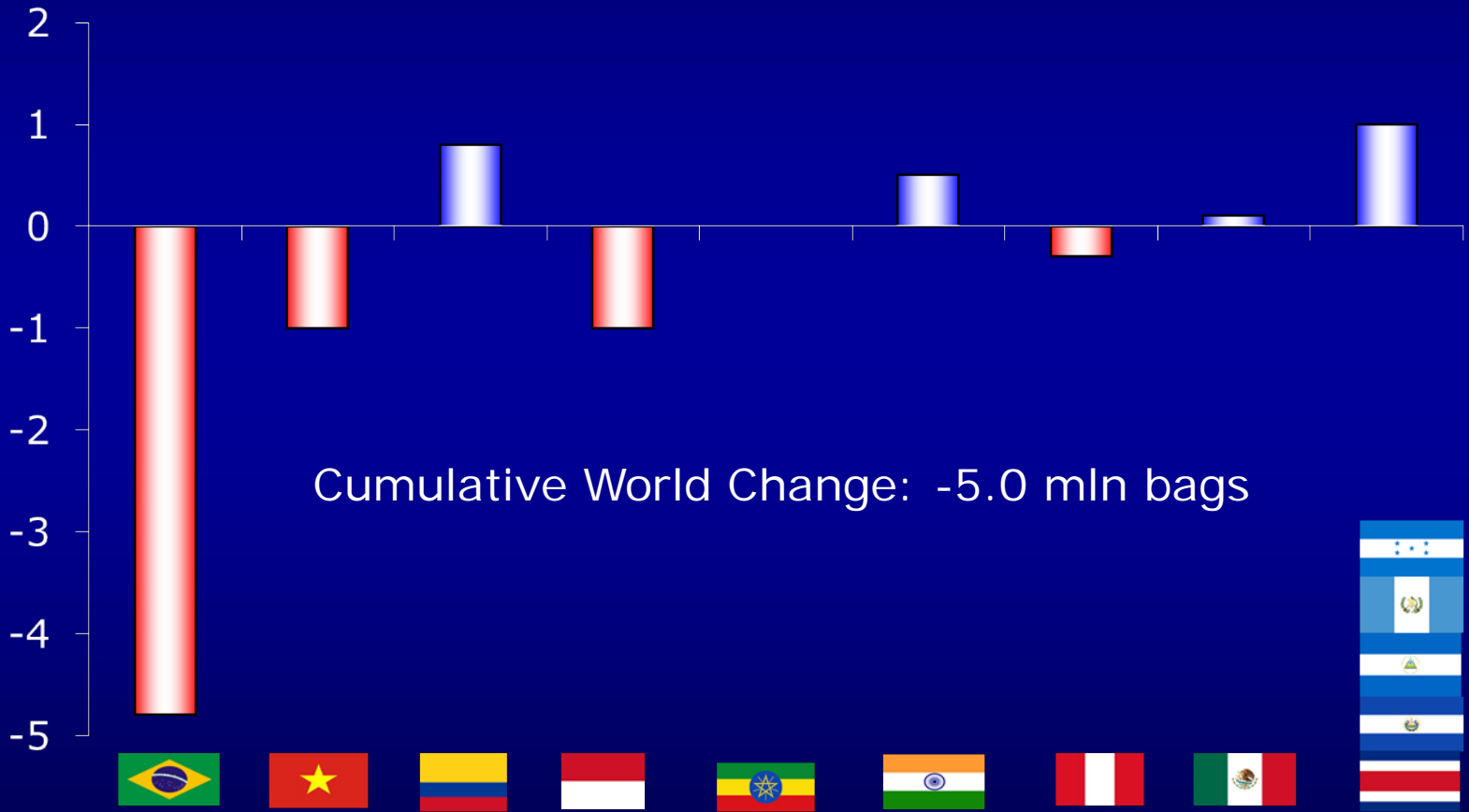
# Vietnam and Indonesia: Coffee Production

(mln 60-kg bags)



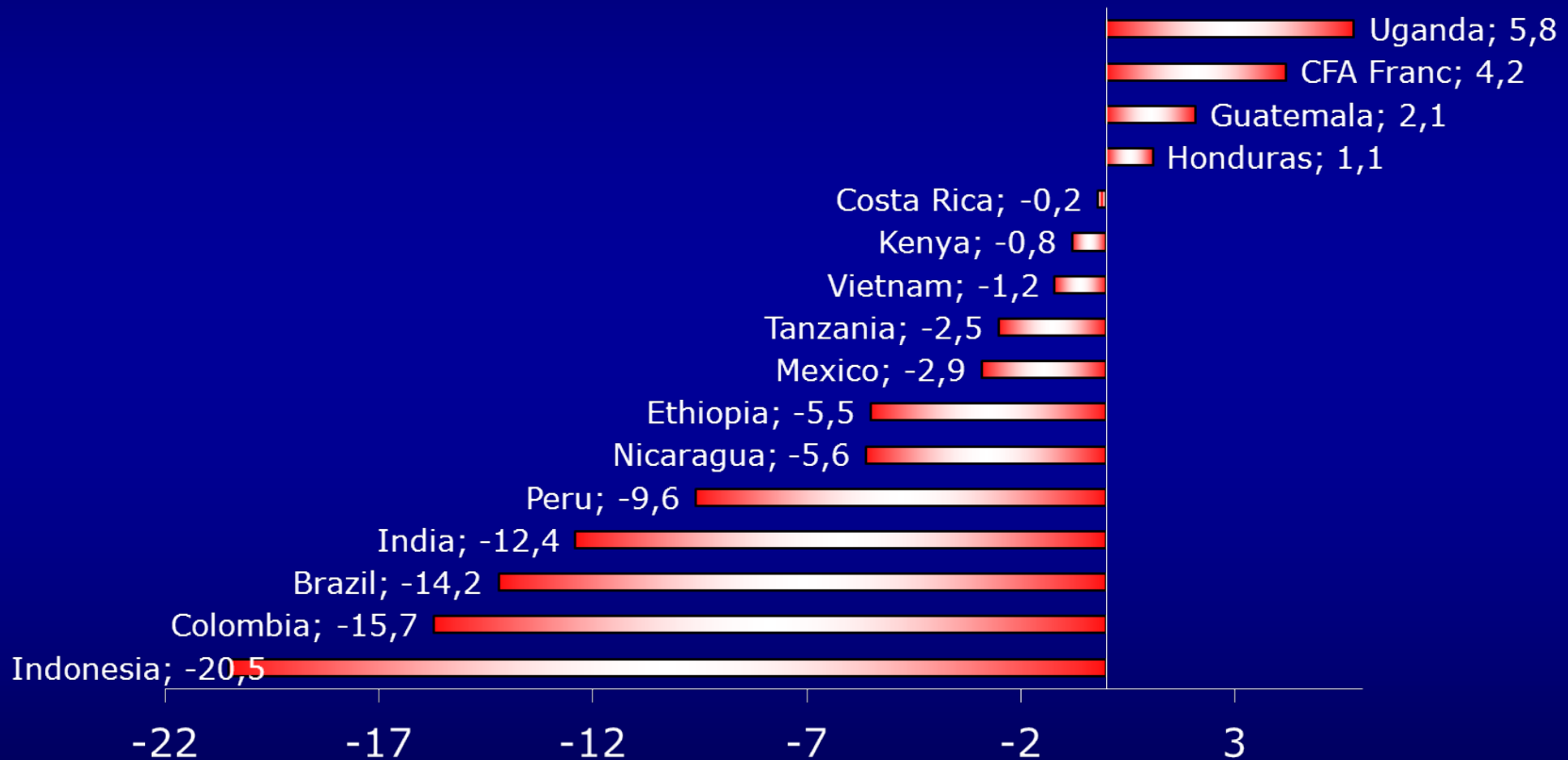
## Coffee Production Change in 2014/15

(mln 60-kg bags)



# Coffee Currencies vs USD

(1 Jan 2013 to date, in %)



## Conclusions

- Global coffee production has responded to high prices and rose by 26.1 mln bags over the three seasons to 2012/13
- The market is currently digesting its fourth consecutive surplus
- With a 5 mln bag reduction in Brazil possible, offsetting changes elsewhere and a 3 mln rise in consumption, 2014/15 may be in deficit
- BUT: There is still considerable uncertainty as to the extent of crop losses in Brazil => Expect Volatility down the road

Any Questions?

**Muito obrigado**  
**Muchas gracias**  
**Thank you**