INTERNATIONAL COFFEE ORGANIZATION

Statistics Committee
7th Meeting
24 September 2014
London, United Kingdom

**Report on the work of the
ICO Statistics Roundtable**

Background

This document contains a summary of the work of the ICO Statistics Roundtable, composed of statistical experts in the coffee sector from leading trade houses, roasters and independent analysts. It also contains the recommendations for the ICO from the Roundtable in order to improve the ICO's statistical capabilities.

Action

The Statistics Committee is requested <u>to consider</u> of this document.

REPORT ON THE WORK OF THE ICO STATISTICS ROUNDTABLE

1.   In March 2014, the Council agreed to formalize the work of a Statistics Roundtable as a formal mechanism for improving the accuracy of ICO statistics. The Statistics Roundtable is open to any participant in the coffee sector, on the condition that they share their data openly with the group, and that these figures would be confidential to the meeting. The Roundtable meets on a quarterly basis to discuss specific statistical issues within the international coffee market.

2.   The Statistics Roundtable met twice in the last six months, and has expanded to include representatives from Armajaro, Complete Commodity Solutions (CCS), Ecom, LMC, Neumann Kaffee Gruppe (NKG), Marex Spectron, Nestlé, Noble Coffee, Touton, Tropical Research Services (TRS) and Volcafe. The first meeting of the formalised Statistics Roundtable was on 15 May 2014, where the issue for discussion was world coffee consumption, focusing on importing countries. Participants also discussed different conversion rates for roasted and soluble coffee products, and the difference between bonded and non-bonded warehouses for imports into the European Union.

3.   At the second meeting, on 29 July 2014, participants focused on three specific issues, and their implications for ICO statistics. Firstly, the definition and classification of port stocks in the EU. Participants had checked with their contacts in various ports, and the Roundtable agreed that most EU port stocks are believed to be in bonded warehouses, and should not be considered as an import into the EU until they leave the bonded warehouse and enter the EU for roasting. As such, changes in stock numbers should not be used to calculate disappearance, and rather that consumption should be measured by looking at net imports into the EU. Secondly, the group compared world consumption numbers, looking specifically at where differences were observed within the group. A summary of this comparison is available in the Annex, showing countries with consumption of over 500,000 bags aggregated over three years (2010/11 to 2012/13). It was noted that looking at the EU as a bloc gives a higher consumption estimate compared to looking at individual countries, which was considered more accurate by the Roundtable. It was therefore recommended that the ICO use these revised EU numbers, taken as a bloc, which were available through Eurostat, the statistical office of the EU.

4.   A summary of the proposed changes are shown in the table below, which shows three scenarios:

   (a)   Net imports for the EU as a bloc, as provided by Eurostat.
   (b)   Net imports for the EU according to current ICO data, which is compiled from individual EU member states.
   (c)   Disappearance in the EU according to current ICO data, which is compiled from individual EU member states, and takes into account stock changes. This is currently used to measure coffee consumption in the EU.

5.	It can be seen that figures for the EU as a bloc are significantly higher than those calculated by looking at individual members states.

Table 1: Comparison of EU net import and disappearance data

	Eurostat net imports	ICO net imports	ICO disappearance
2010/11	43 612	40 942	40 752
2011/12	43 174	40 710	40 727
2012/13	43 975	42 021	41 764

In thousand bags

6.	Finally, the group looked at global stock change since 2009. It was noted that although the ICO published stock change followed a relatively similar trend to the Roundtable, the derived numbers from consumption and production did not add up to a consistent total. It was therefore recommended that the Statistics Roundtable look at both sides of the balance, and move from looking at consumption numbers to focusing on production.

7.	To summarize, there were three main recommendations from the Statistics Roundtable:

(a)	Disappearance in the European Union should be estimated by looking at net imports, rather than taking into account stock changes.

(b)	Disappearance in the European Union should also be taken as a bloc, rather than individual countries. This will result in a higher figure that was considered more accurate.

(c)	Given the inconsistency in the production and consumption figures published by the ICO, the Statistics Roundtable should move on to looking at production numbers.

COMPARISON BETWEEN ICO CONSUMPTION DATA AND STATISTICS ROUNDTABLE

This table shows consumption data aggregated over three coffee years (2010/11 to 2012/13), and sorted by the size of the difference between the ICO and the average of the Roundtable, for countries with an aggregated consumption of over 500,000 bags according to ICO data. It is sorted according to the size of the difference between the average of the expert Roundtable and the ICO.

Countries in **bold** are importing countries, those in *italics* are ICO Members.

	Participant									Roundtable average	ICO	Difference between ICO and average
	1	2	3	4	5	6	7	8	9			
EU-28	*131 089*	*130 812*	*128 976*	*130 111*	*130 021*	*127 741*	*130 693*	*134 095*	*124 412*	*129 772*	*123 244*	*-6 528*
Thailand	*4 400*	*2 525*	*2 780*	*3 606*	*3 891*	*3 076*	*3 205*	*3 812*	*4 035*	*3 481*	*1 500*	*-1 981*
Brazil	*60 976*	*60 000*	*59 750*	*62 038*	*60 265*	*57 374*	*59 555*	*61 200*	*60 700*	*60 206*	*59 182*	*-1 024*
Malaysia	**1 780**	**1 401**	**2 030**	**2 944**	**1 976**	**1 046**	**1 430**	**1 815**	**2 088**	**1 834**	**1 052**	-782
Indonesia	*10 838*	*11 426*	*10 750*	*10 901*	*10 691*	*10 762*	*9 250*	*10 704*	*12 392*	*10 857*	*10 333*	*-524*
Egypt	**809**	**963**				**1 350**	**838**	**922**		**976**	**531**	-445
Serbia	**1 953**	**1 746**	**2 541**	**2 528**	**1 746**	**2 419**	**1 740**	**1 769**	**1 670**	**2 012**	**1 712**	-300
Costa Rica	*1 114*			*1 258*		*1 136*	*1 100*	*954*		*1 112*	*850*	*-262*
Algeria	**6 699**	**6 108**	**6 921**	**6 887**	**6 108**	**6 777**	**5 968**	**6 119**	**6 128**	**6 413**	**6 158**	-255
Myanmar		**1 061**				**825**	**740**	**1 063**		**922**	**689**	-233
United Arab Emirates	**1 165**	**715**		**1 016**		**900**	**720**	**840**		**893**	**674**	-219
Taiwan	**857**	**1 003**		**2 247**		**2 194**	**1 134**	**1 176**		**1 435**	**1 253**	-182
Hong Kong	**932**	**758**		**667**		**1 050**	**849**	**807**		**844**	**699**	-145
Cuba	*988*			*817*		*660*	*660*	*765*		*778*	*660*	*-118*
Dominican Republic	1 792		1 560	1 338	1 620	1 159	1 340	1 050	1 400	1 251	1 134	-117
Morocco	**1 829**	**1 760**	**1 866**	**1 820**	**1 646**	**1 789**	**1 704**	**1 728**	**1 756**	**1 766**	**1 693**	-73
Syrian Arab Republic	**1 055**	**1 292**				**1 200**	**1 170**	**1 394**		**1 222**	**1 168**	-54
Switzerland	*3 124*	*3 480*	*3 270*	*2 451*	*3 331*	*3 271*	*3 240*	*3 329*	*3 479*	*3 219*	*3 175*	*-44*
Argentina	**2 317**	**2 059**	**2 053**	**2 044**	**2 229**	**2 259**	**2 154**	**2 111**	**2 030**	**2 140**	**2 098**	-42
New Zealand	**818**	**919**		**733**		**900**	**813**	**942**		**854**	**814**	-40
Japan	**21 608**	**21 777**	**20 990**	**21 968**	**21 047**	**22 776**	**21 458**	**21 877**	**20 940**	**21 605**	**21 567**	-38
Chile	**963**	**643**		**618**		**1 146**	**778**	**754**		**817**	**783**	-34
Turkey	*1 629*	*1 925*	*2 860*	*2 832*	*1 798*	*2 356*	*2 119*	*2 047*	*1 956*	*2 169*	*2 137*	*-32*

	Participant									Roundtable average	ICO	Difference between ICO and average
	1	2	3	4	5	6	7	8	9			
Colombia	4 670	3 480	4 380	4 350	4 500	4 290	4 150	4 245	3 900	4 218	4 188	-30
Norway	2 311	2 217	2 270	2 398	2 241	2 365	2 252	2 241	2 214	2 279	2 252	-27
Lebanon	1 179	1 248		1 652		1 350	1 320	1 431		1 363	1 396	33
South Africa	1 342	1 490	1 431	1 419	1 508	1 532	1 579	1 607	1 452	1 484	1 557	73
Madagascar	1 495		1 080	890	1 540	920	1 330	1 560	1 560	1 297	1 401	104
Guatemala	950	1 107	720	1 065	991	900	970	951	540	910	1 020	110
Saudi Arabia	2 502	2 637	2 578	2 542	2 637	1 897	880	2 370	2 720	2 307	2 417	110
Peru	687			522		720	510	750		638	750	112
El Salvador	995			539		798	750	450		706	821	115
South Korea	4 270	5 124	5 461	5 417	5 089	5 170	5 152	5 174	5 234	5 121	5 251	130
Tunisia	866	1 311				1 050	1 230	936		1 079	1 218	139
Congo, Dem. Rep. of				633		6	600	600		460	600	140
Jordan	843	840		770		900	1 034	1 000		898	1 049	151
Haiti	280			964		1 020	1 020	1 020		861	1 020	159
Israel	1 327	1 200	1 419	1 415	1 538	1 458	1 500	1 535	1 525	1 435	1 596	161
Nicaragua	408			366		570	320	402		413	612	199
Honduras	481			738		1 360	490	900		794	1 035	241
Russia	12 394	10 589	11 000	9 045	10 534	12 413	11 277	11 189	10 167	10 956	11 208	252
Vietnam	4 449	4 817	4 180	3 756	4 615	4 440	4 533	4 321	4 750	4 429	4 749	320
Côte d'Ivoire	477			240		951	750	477		579	951	372
Canada	10 785	10 554	8 590	8 555	10 737	11 263	10 755	10 460	10 378	10 231	10 605	374
Mexico	6 422	6 085	6 360	6 946	7 000	6 251	6 232	7 108	7 200	6 623	7 062	439
Australia	3 813	4 434	3 012	2 995	4 509	3 653	4 558	4 519	4 422	3 991	4 537	546
Philippines	5 955	7 425	5 300	4 465	5 300	3 599	6 891	6 711	7 648	5 922	6 475	553
Bosnia & Herzegovina	1 047	76				1 200	120	88		506	1 104	598
Ukraine	4 027	3 485	2 549	2 531	3 476	2 182	3 977	3 775	3 446	3 272	3 937	665
USA	66 065	66 724	67 150	66 990	66 308	68 163	67 655	67 159	66 925	67 015	67 732	717
India	3 512	5 917	3 870	5 108	4 010	4 318	4 900	3 940	5 792	4 596	5 634	1 038
Sudan	1 352	21				225	15	7		324	1 412	1 088
Venezuela	3 915		3 030	3 288	3 666	2 819	3 985	2 859	2 340	3 238	4 950	1 712
Ethiopia	5 000	5 400	5 640	5 250	5 200	7 632	6 300	5 200	5 900	5 725	10 166	4 441

In thousand bags

A blank in the table means that data were not available for that participant.