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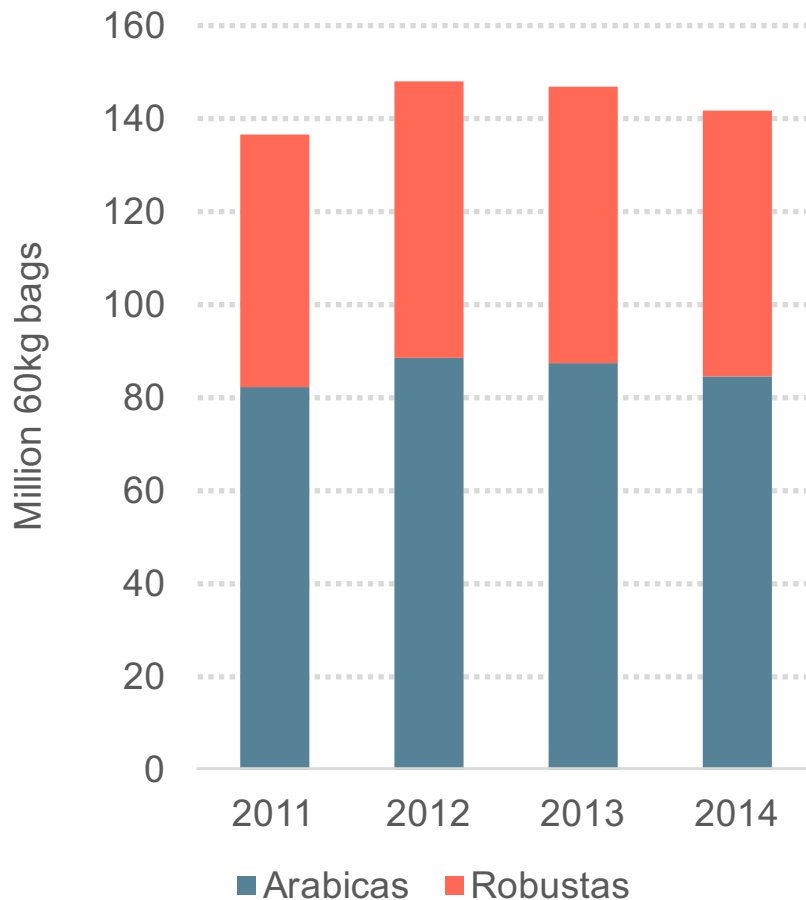
Coffee Market Outlook

Robério Oliveira Silva
International Coffee Council
September 2015



Supply & Demand

World coffee production

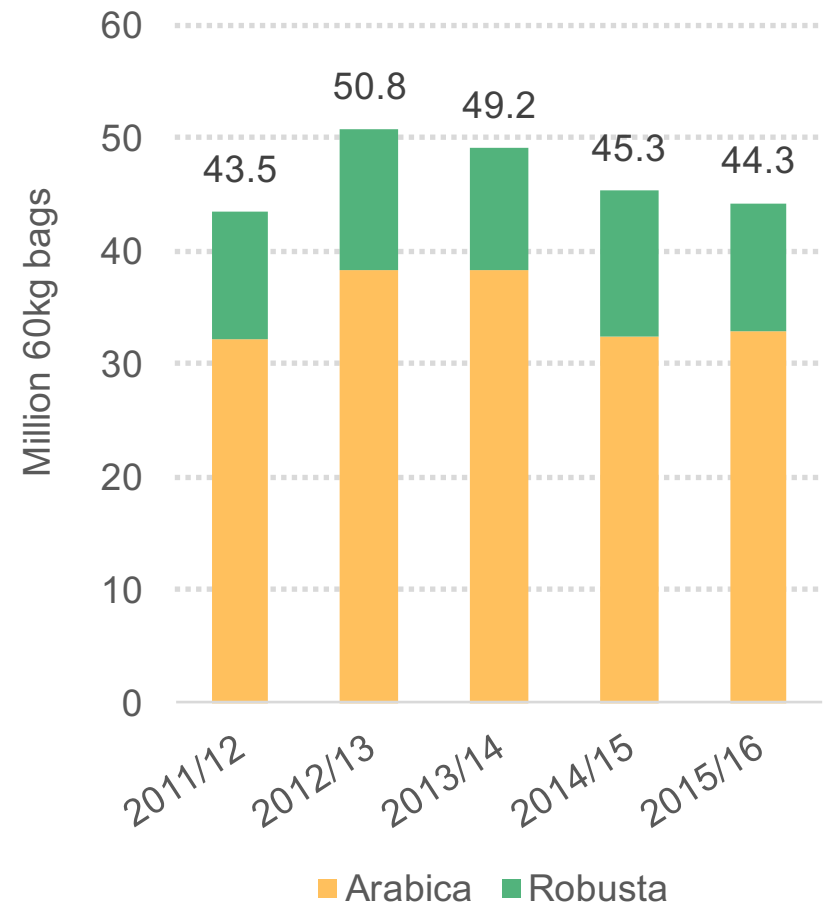


- 141.7 million bags in crop year 2014/15
- 3.5% less than 2013/14
- Arabicas \searrow 3.3%
- Robustas \searrow 3.7%



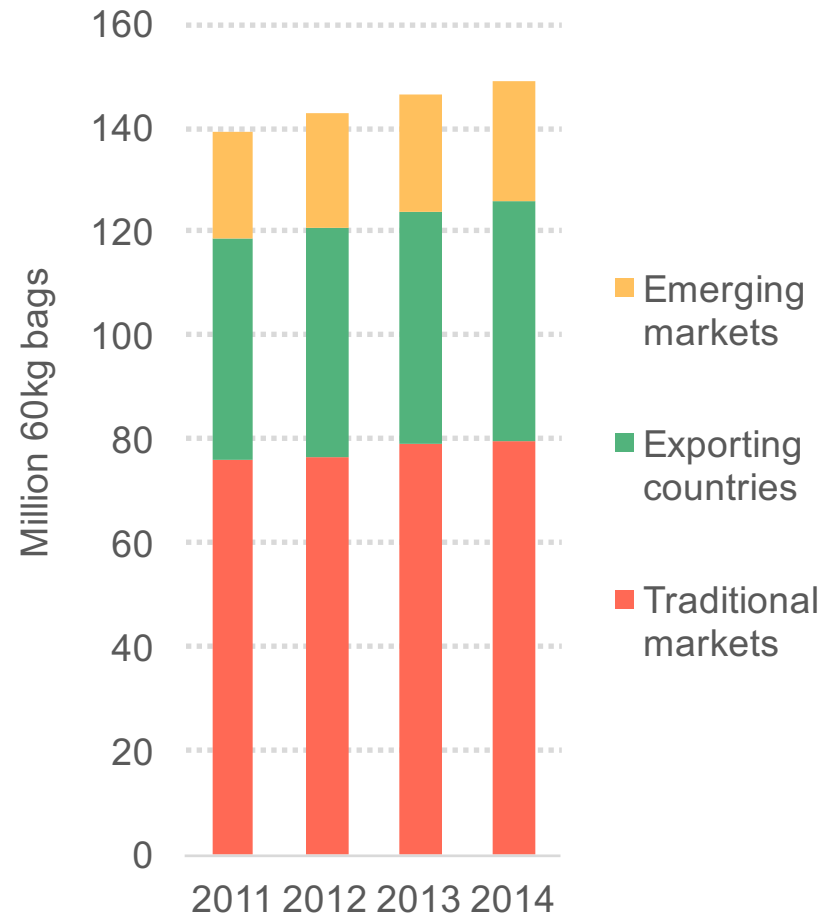
Production in Brazil

- 44.3 million bags in 2015/16, down 2.4% on 2014/15 (*Source: Conab*)
- Lowest production in four years
- Record exports of 36.9 million bags and consumption of 20.3 million in 2014/15



World consumption

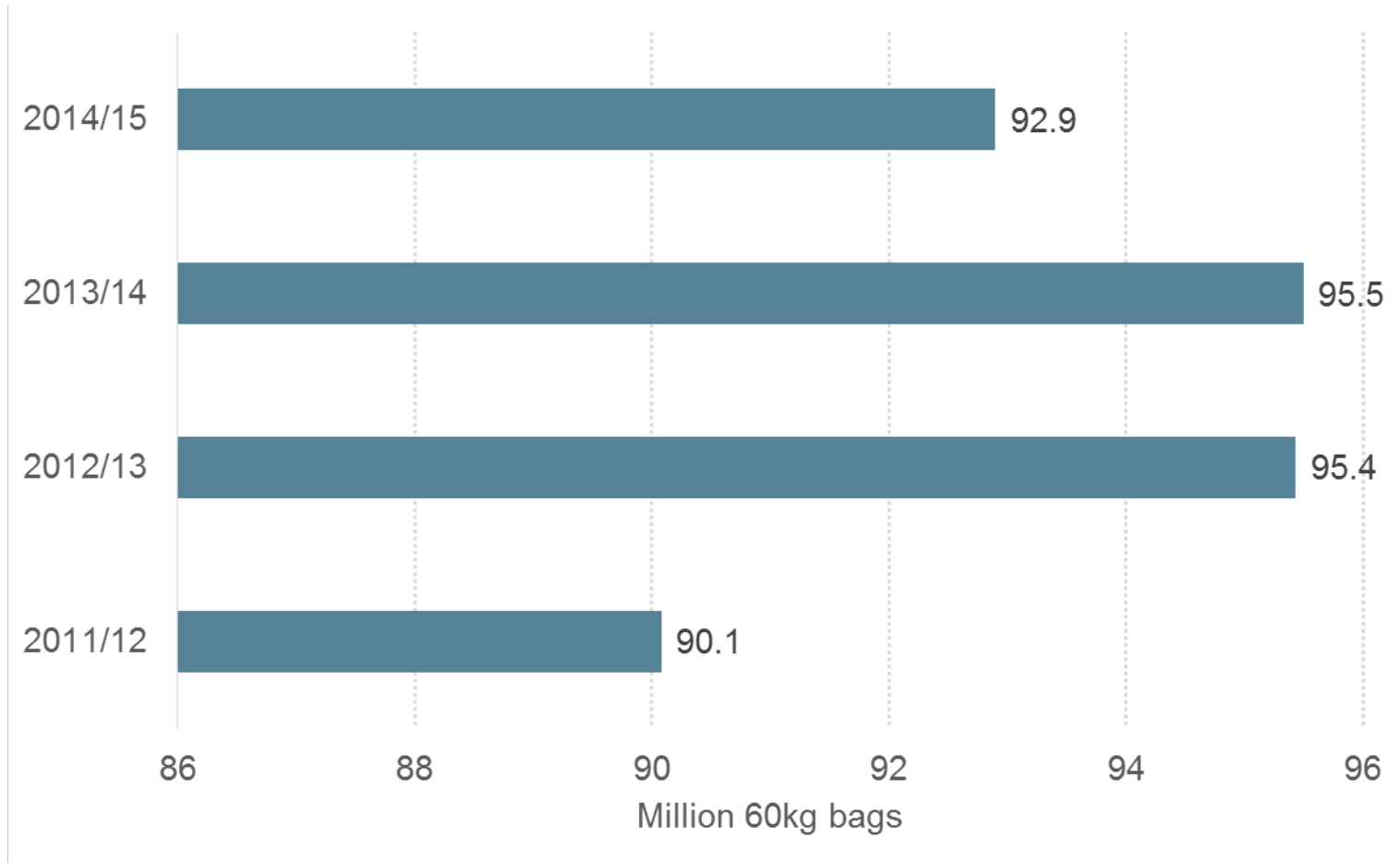
- Increasing by 1.8% to 149.2 million bags in 2014
- Still strong demand in many countries, particularly traditional markets
- But biggest potential is emerging markets and exporting countries



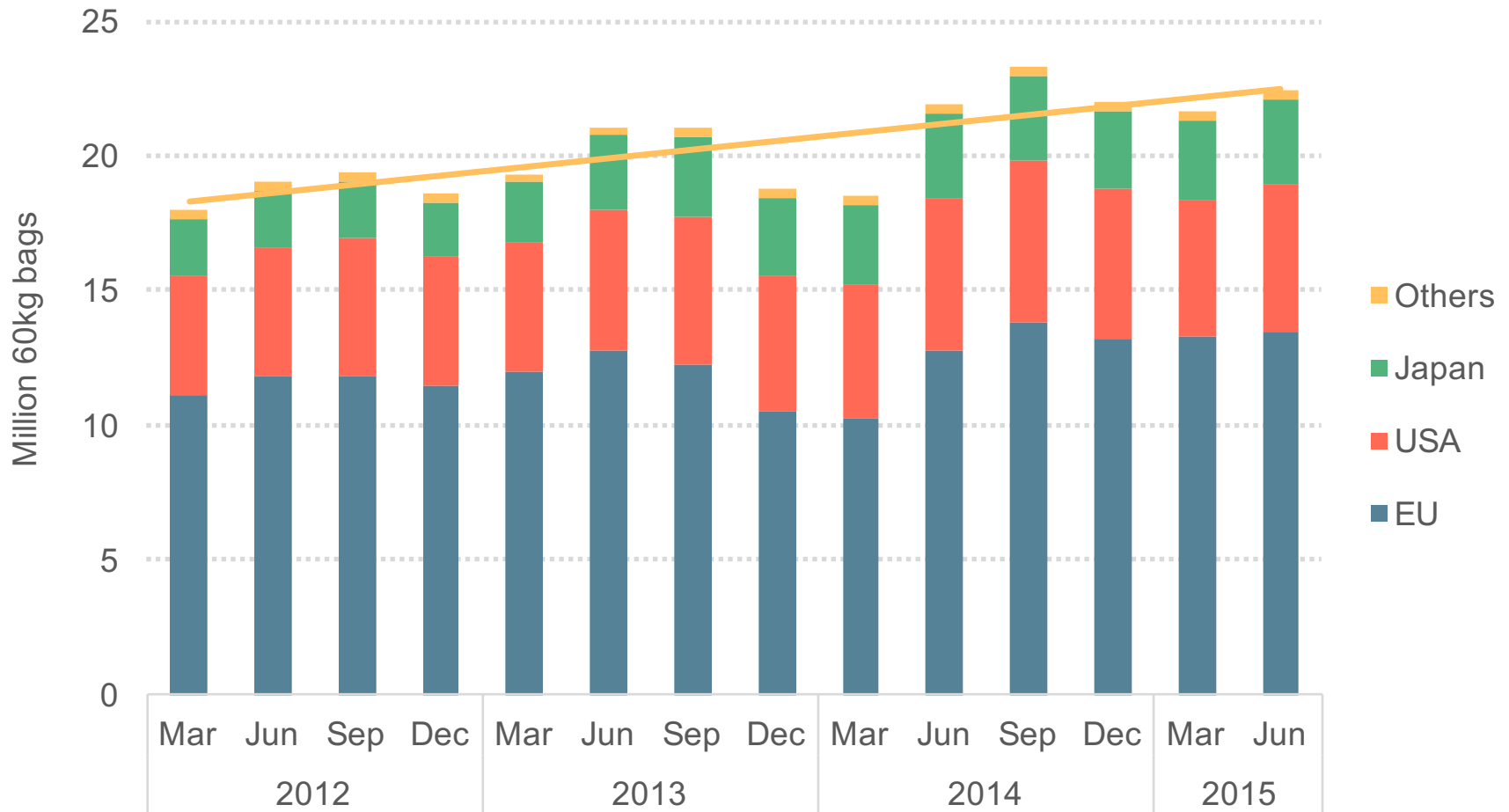
Global coffee balance



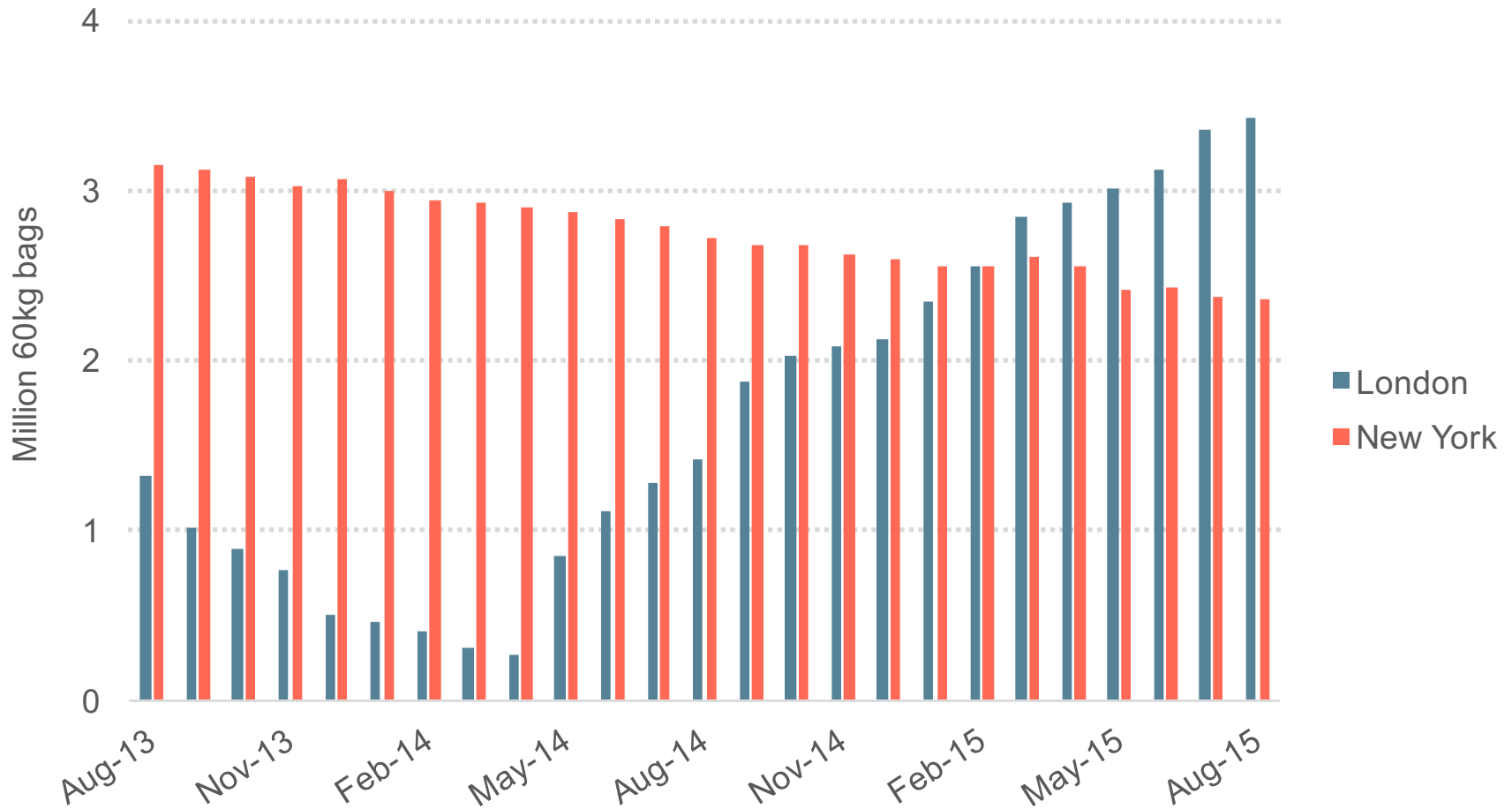
World coffee exports (October to July)



Inventories in importing countries



Certified stocks on the New York & London futures markets



Prices

InterContinental Exchange, Inc.

↑ 134.3600
6.05 ↑ 4.72%

588,500
ICE
888,140

0
OFFERING SIZE
OFFERING PRICE

135.25
OPEN

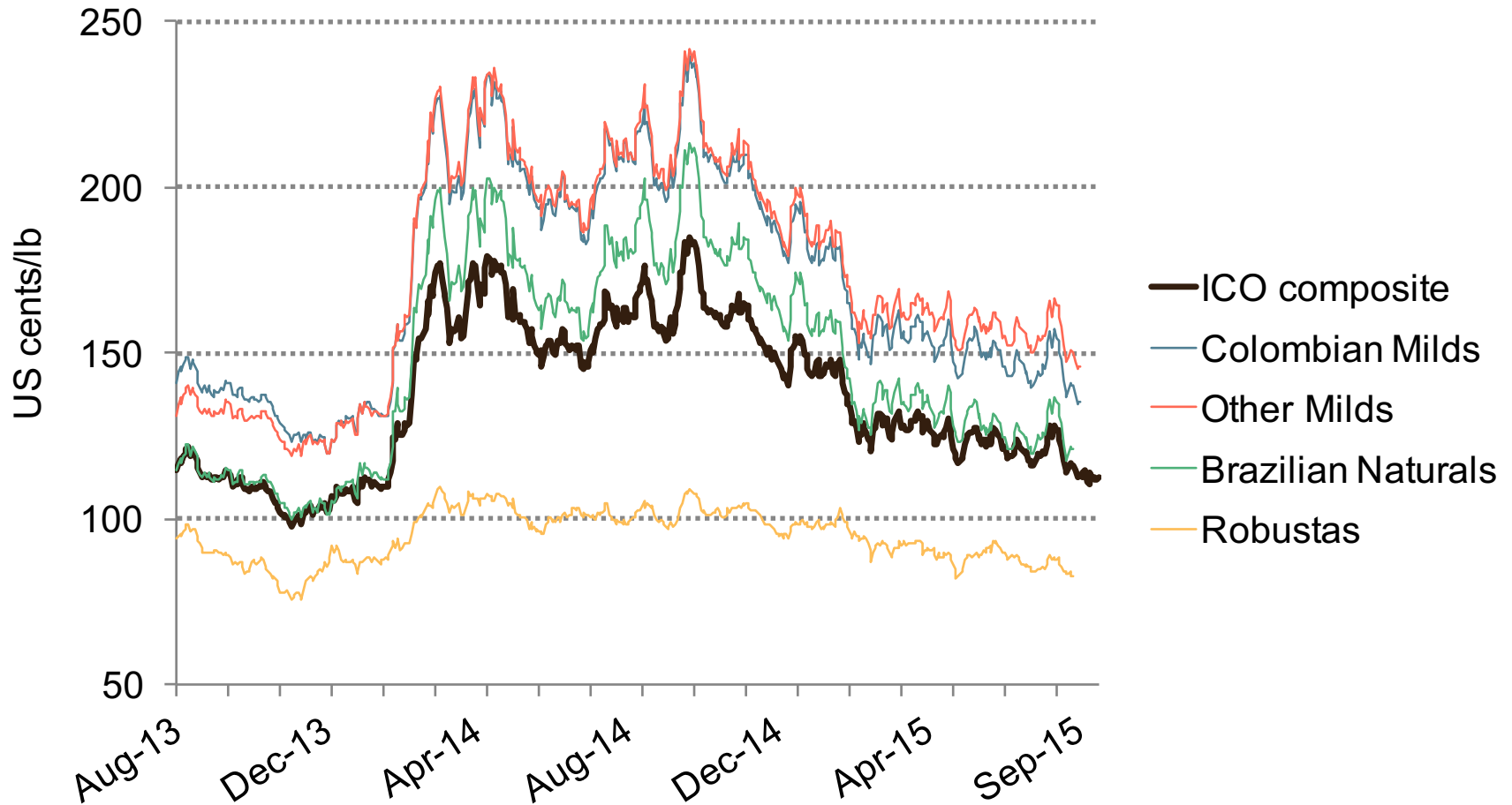
135.40
HIGH

134.00
LOW

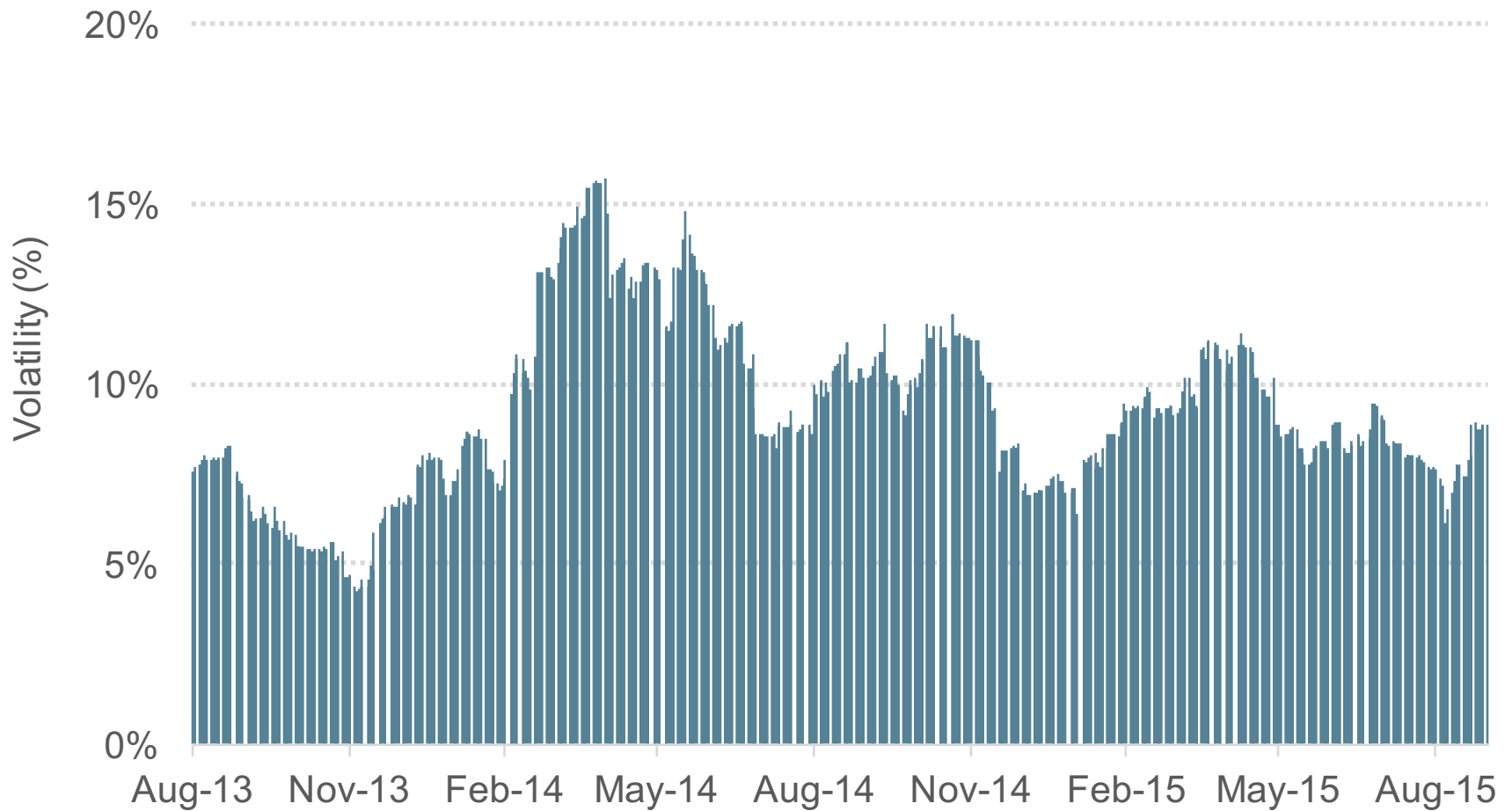
EAT 100 @ 31.5308

Price

Daily prices: Last two years



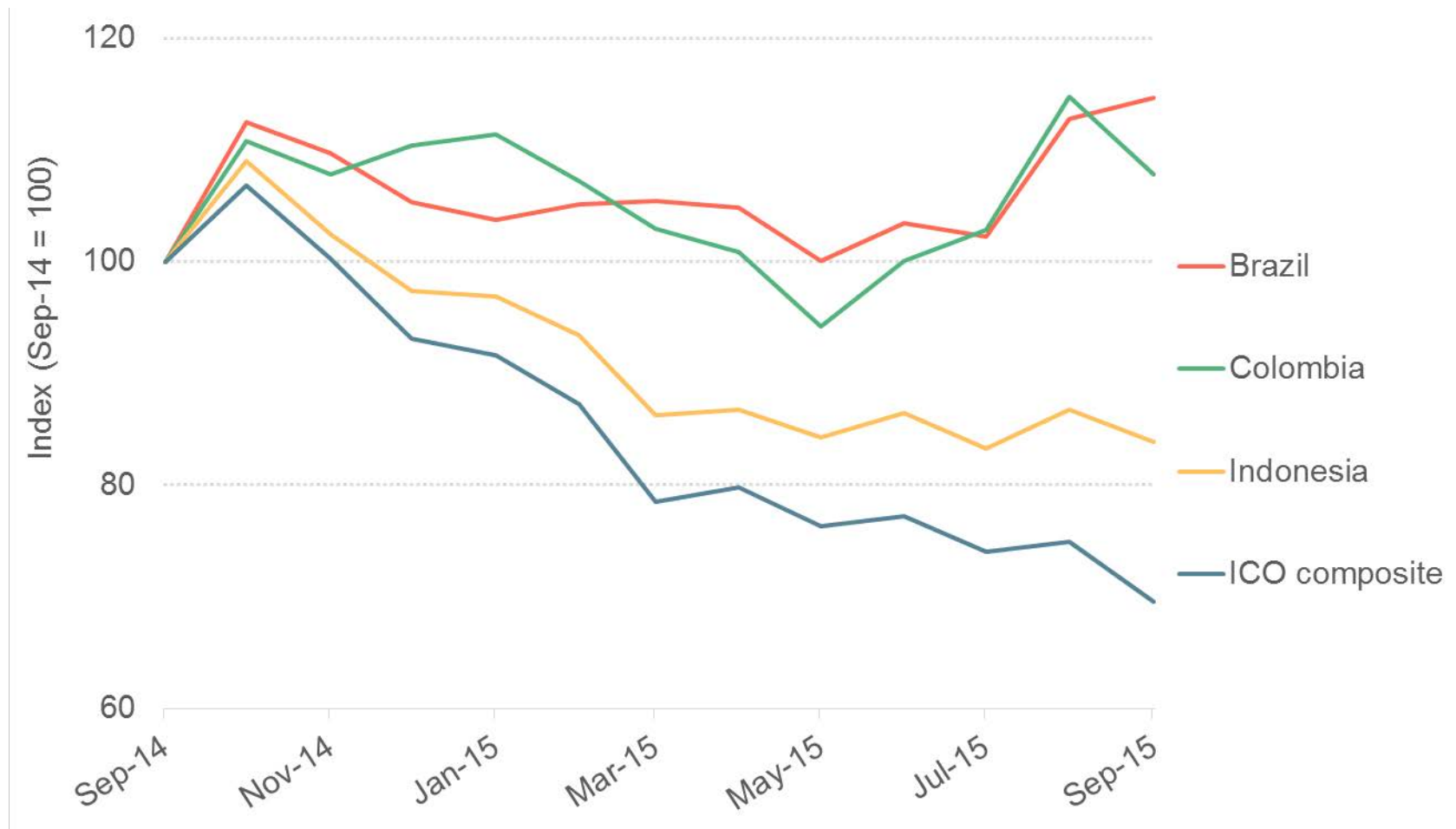
High price volatility since early 2014



Movements in exchange rates (US\$ against local currencies)



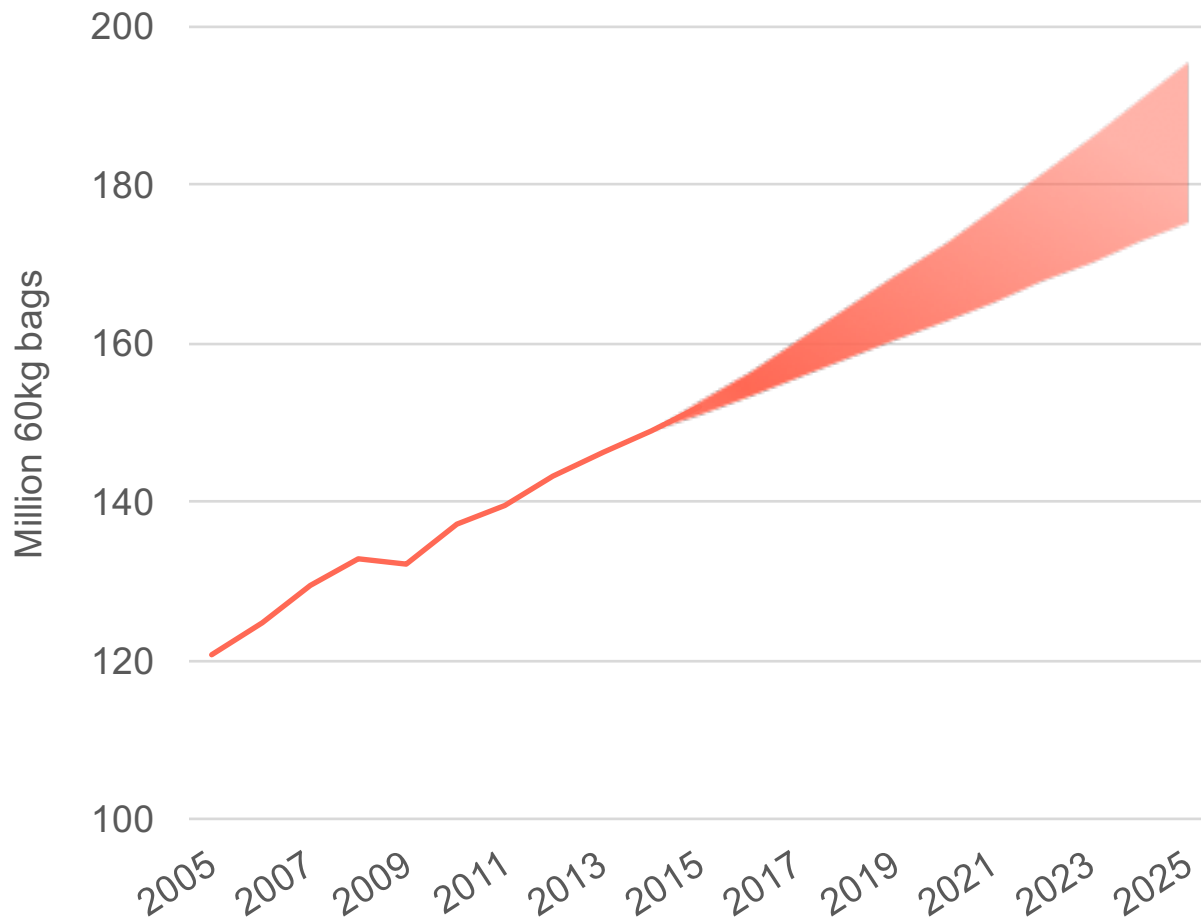
Currency depreciation offsets decline in world market price





Prospects

Prospects for future consumption



**25 – 45 million
extra bags by
2025**

**(Assuming
1.5% – 2.5%
growth rates)**



A scenic view of a coffee plantation with a large red circular overlay containing the word 'Conclusions'. The background shows a lush green landscape with coffee plants in the foreground and a forested hillside in the distance under a blue sky. The red circle is semi-transparent, allowing the background to be visible through it.

Conclusions

Tightening of production in 2014/15 and 2015/16



**Uncertainty surrounding
climatic events could
amplify market volatility**





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Thank you