

A large teal circle is centered on the page. It is surrounded by two concentric rings: an inner ring of light green and an outer ring of light orange. The text is centered within the teal circle.

# Coffee Market Outlook

117<sup>th</sup> International Coffee Council  
September 2016

# Prices

InterContinental Exchange, Inc.

↑ 134.3600  
6.05 ↑ 4.72%

588,500  
**ICE**  
888,140

0  
OFFERING SIZE  
OFFERING PRICE  
135.25  
OPEN

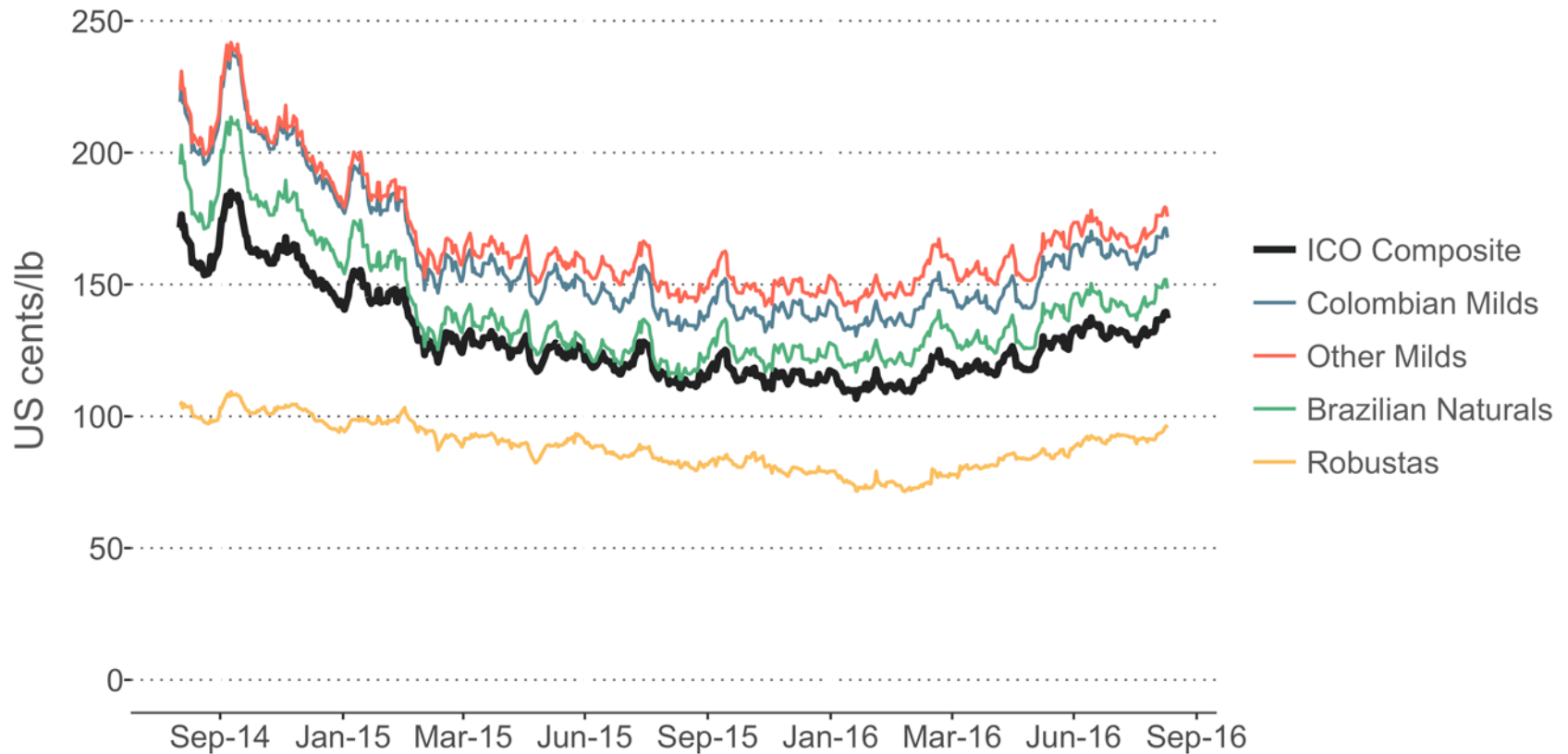
135.40  
HIGH

134.00  
LOW

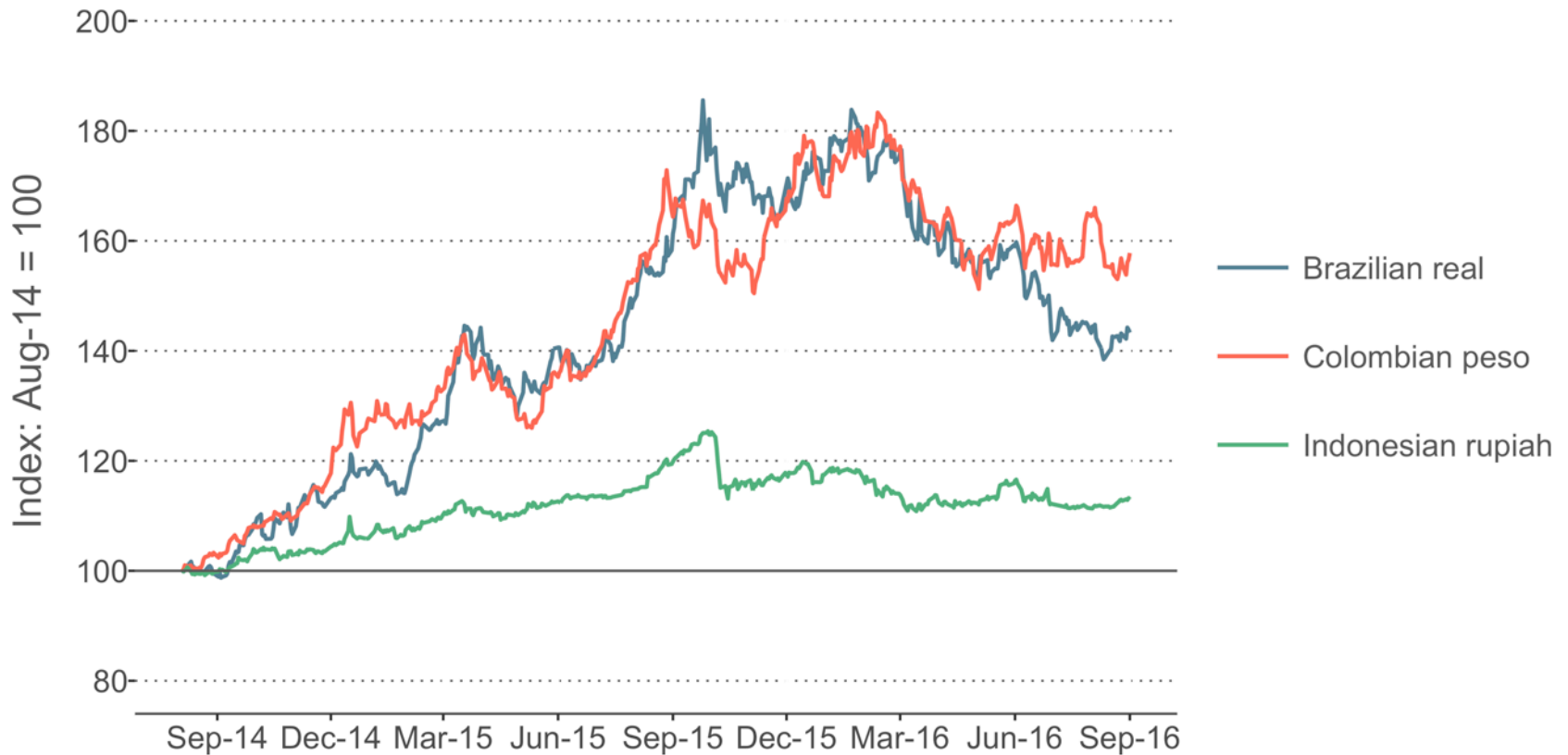
EAT 100 @ 31.5308

Price®

# Daily prices: Last two years

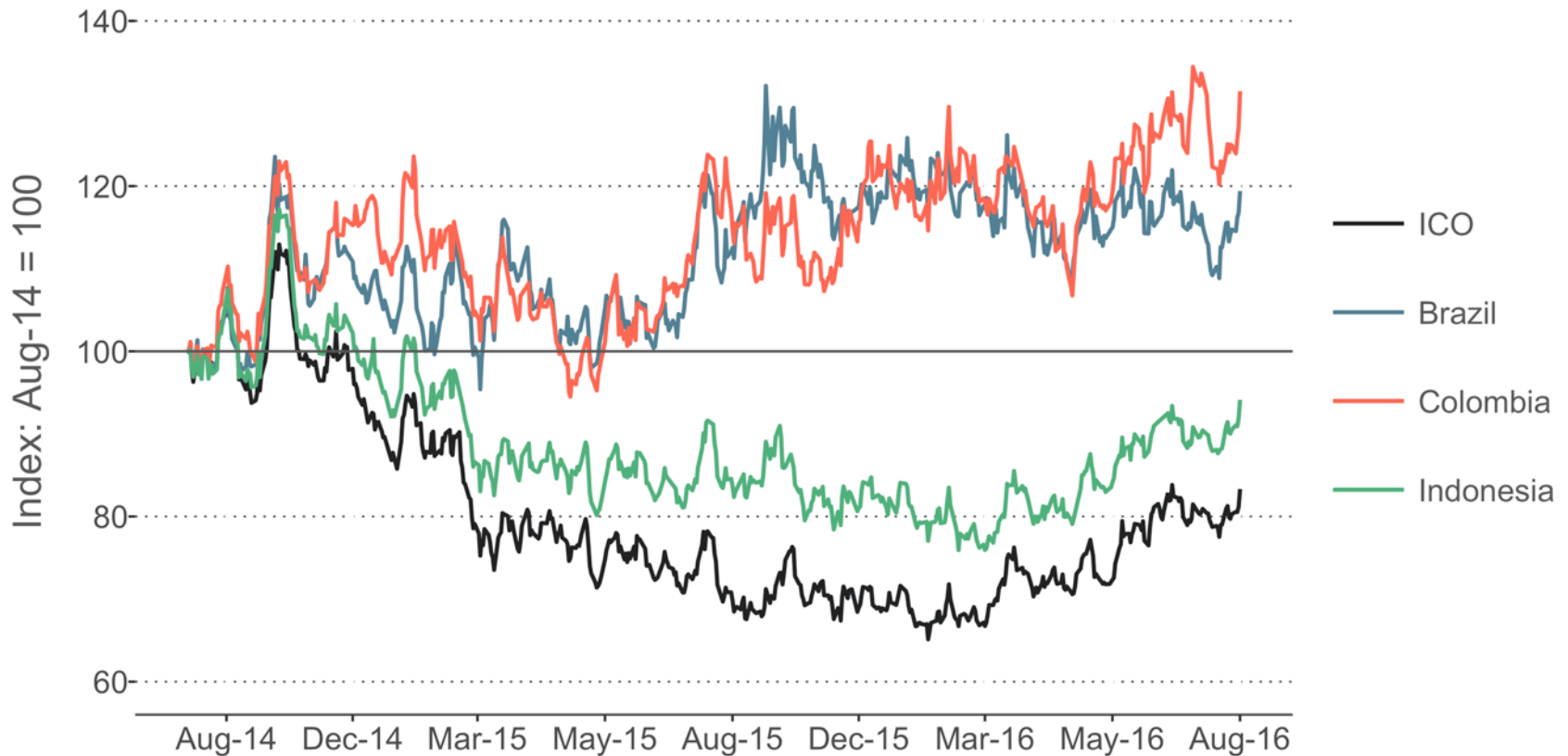


# Movements in exchange rates (US\$ against local currencies)





# Currency depreciation offsets decline in world market price

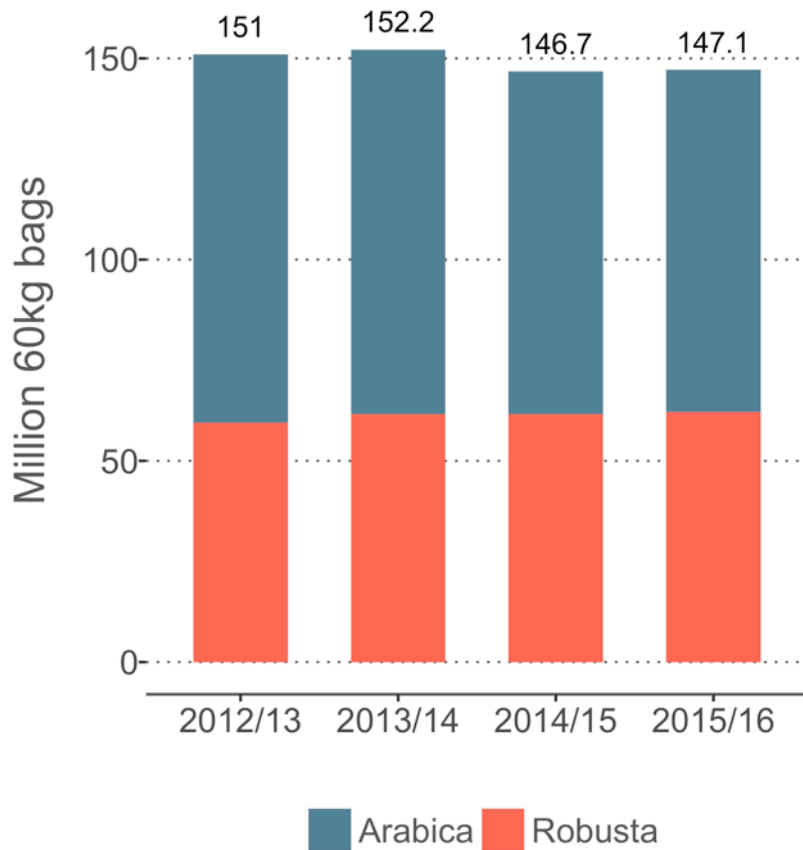




# Supply & Demand



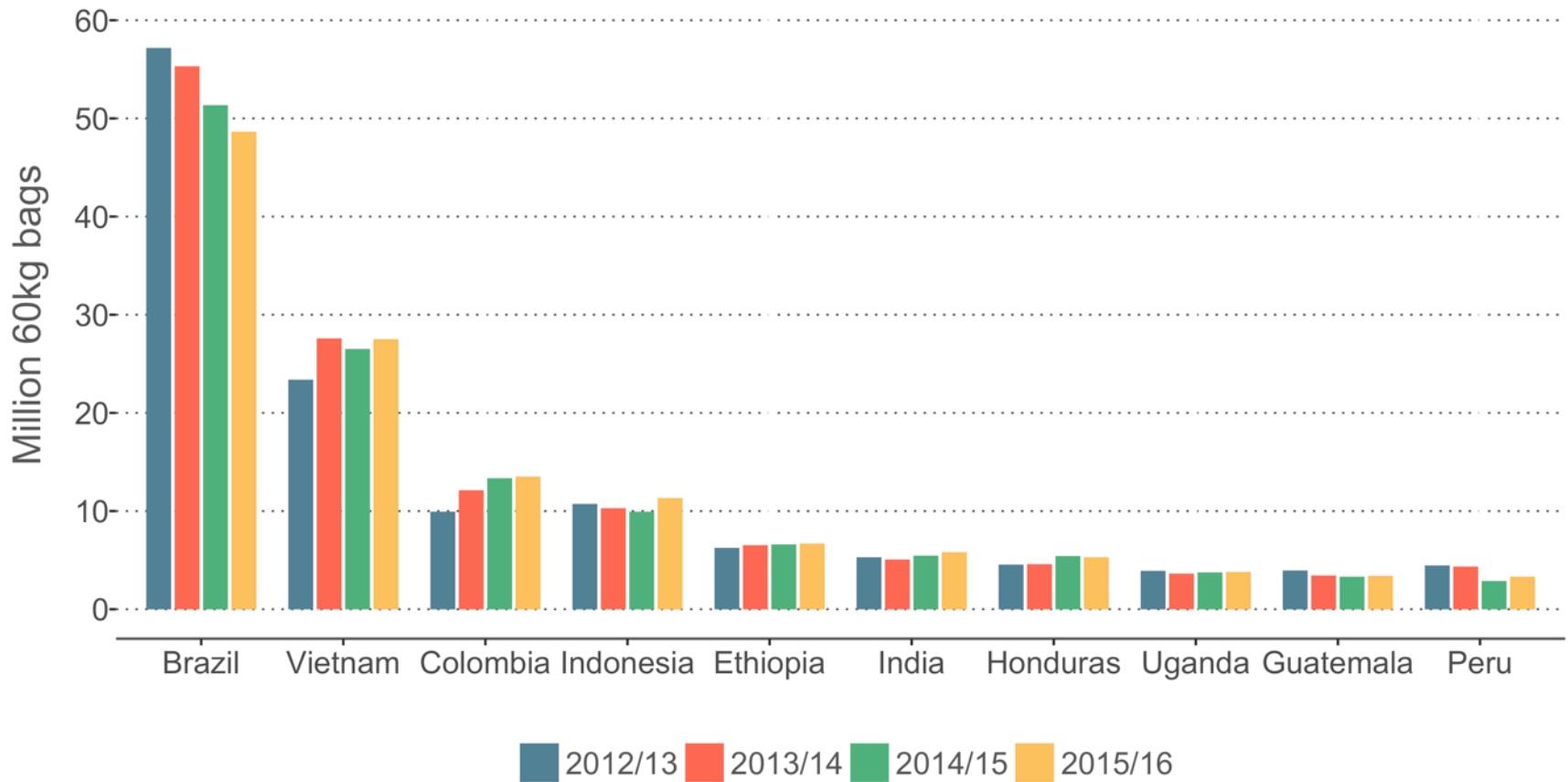
# World coffee production



- 147.1 million bags in crop year 2015/16
- 0.3% increase on 2014/15
- Arabicas unchanged
- Robustas ↗ 0.9%

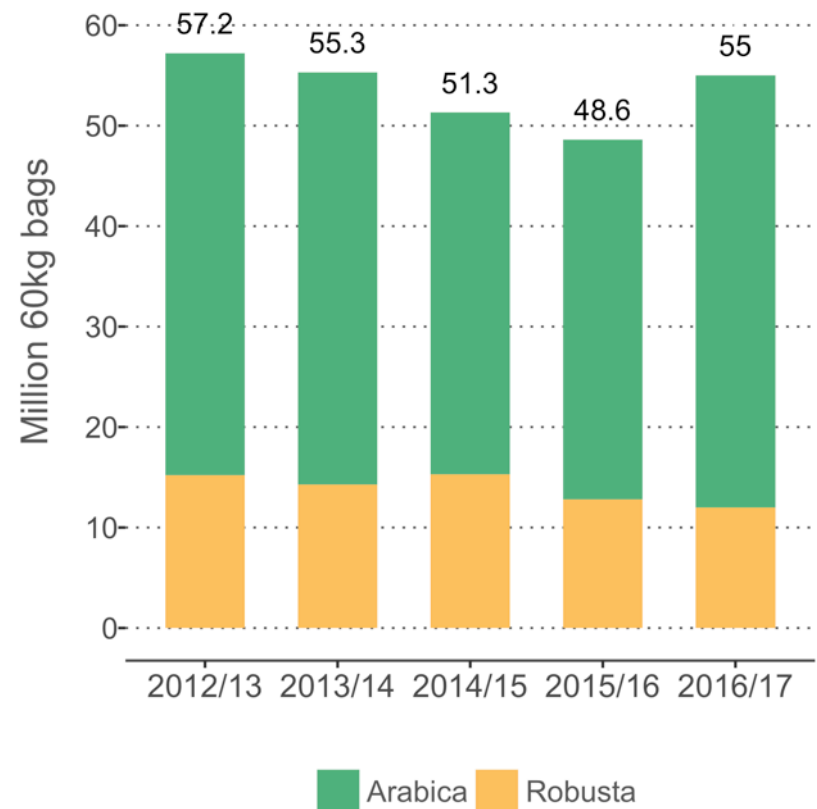


# World coffee production (2)

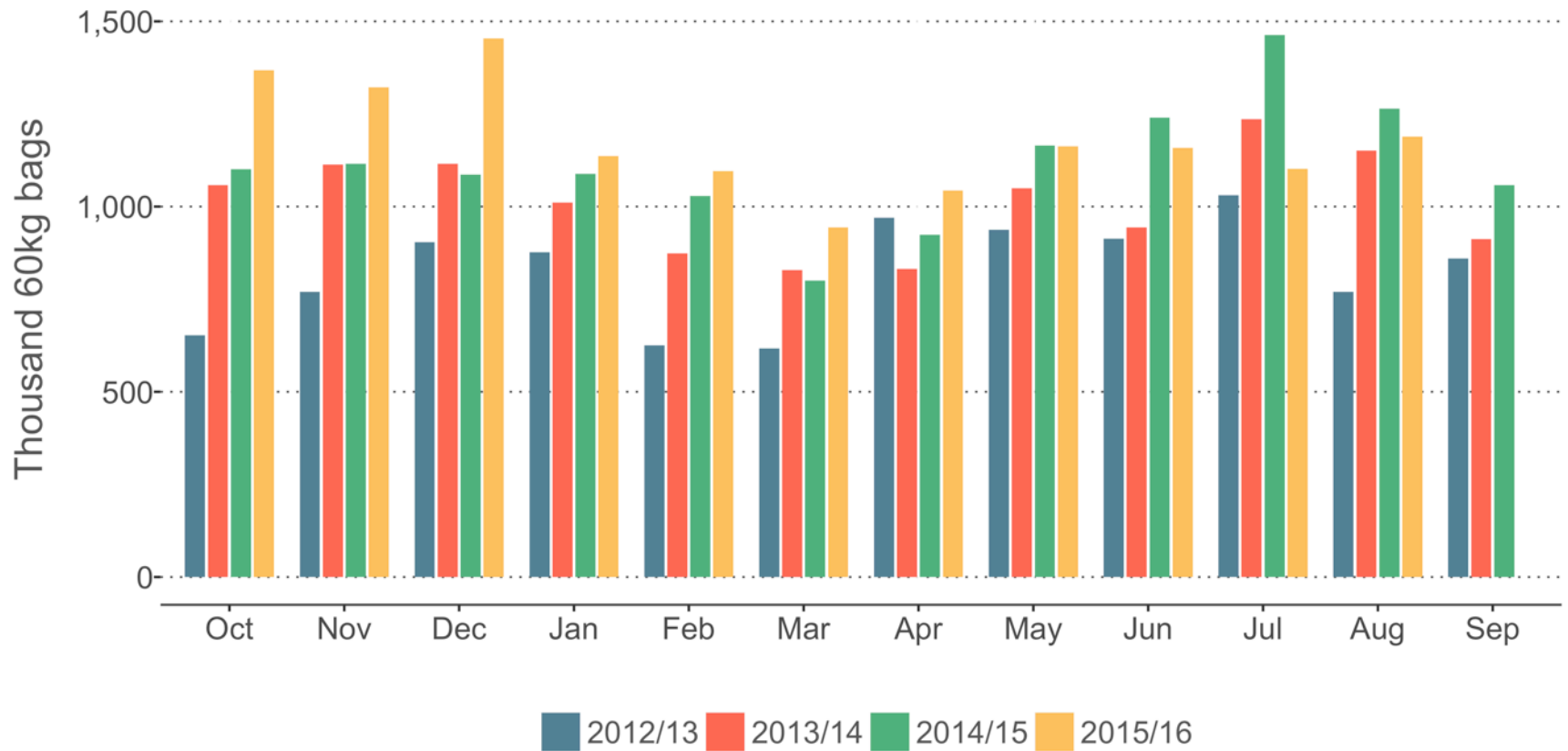


# Production in Brazil

- Current ICO estimate of 2016/17 production: 55 million bags
- Significant recovery after three consecutive years of lower output
- Domestic consumption estimated at 20.5 million bags

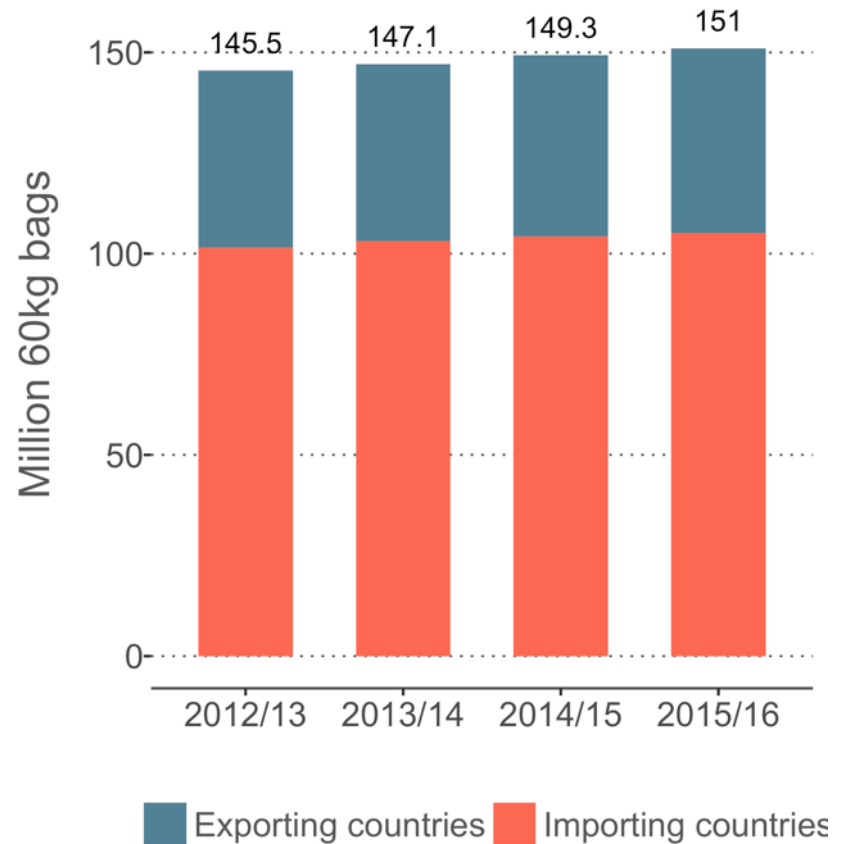


# Production in Colombia



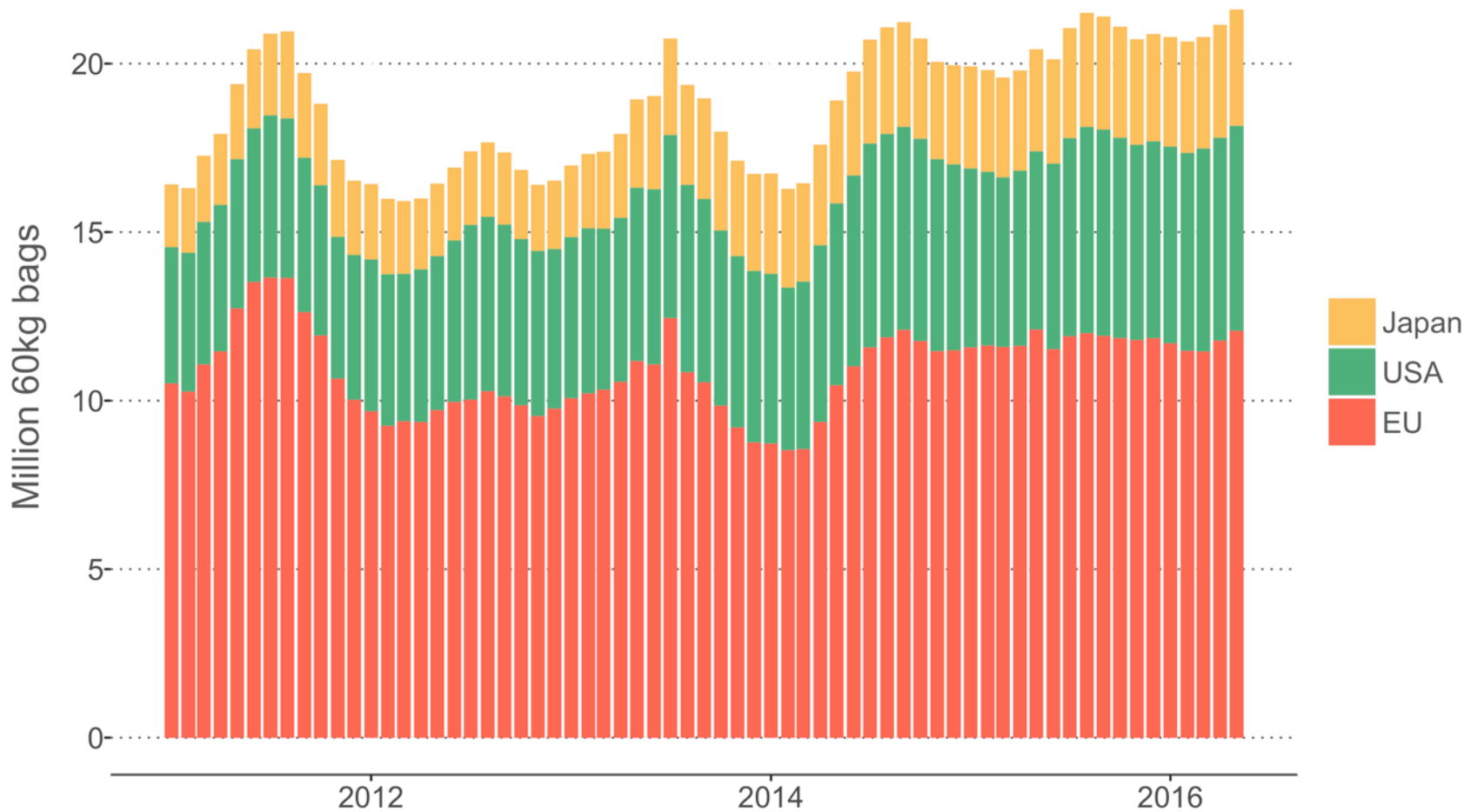
# World consumption

- Increasing by 1.1% to 151.0 million bags in coffee year 2015/16
- Still strong demand in many countries, particularly some traditional markets
- But biggest potential is emerging markets and exporting countries





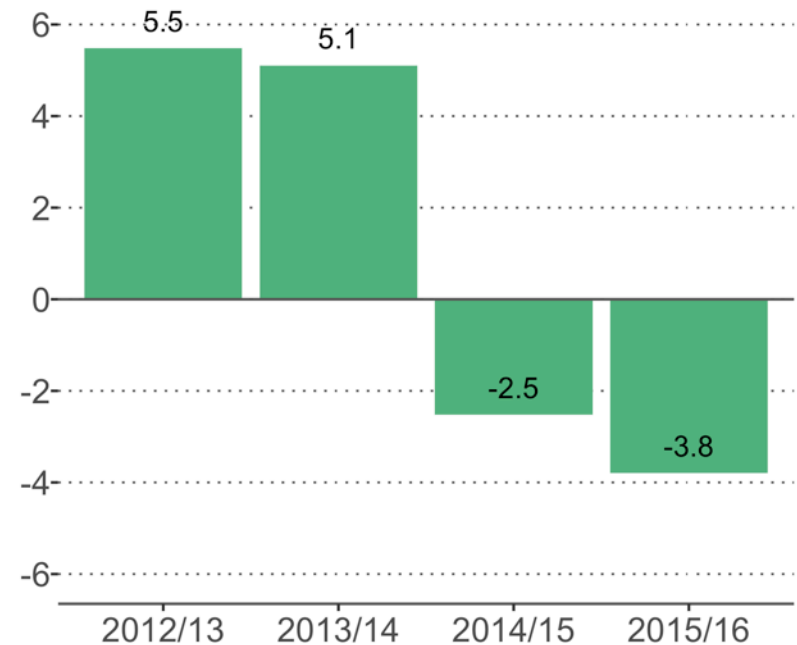
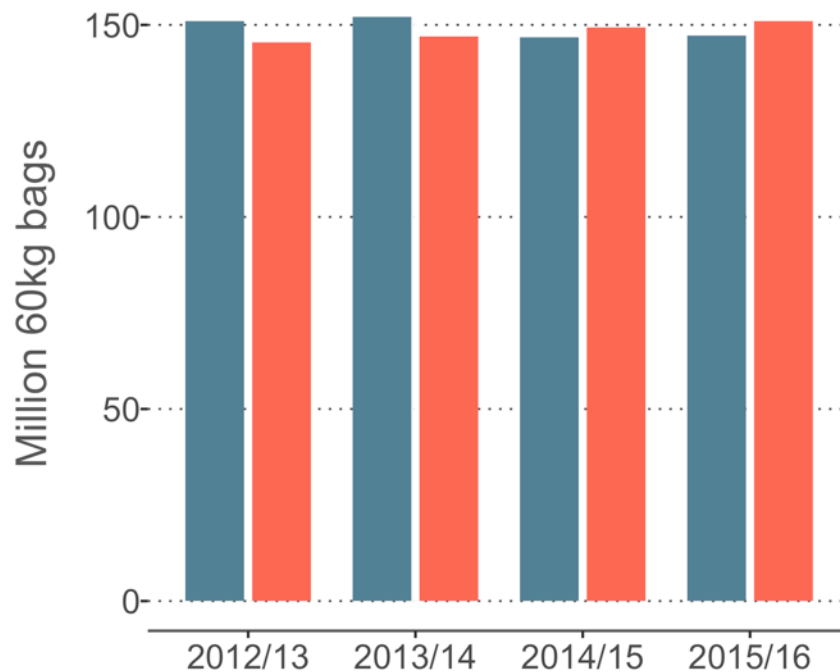
# Inventories in importing countries





Balance

# Supply/Demand Balance

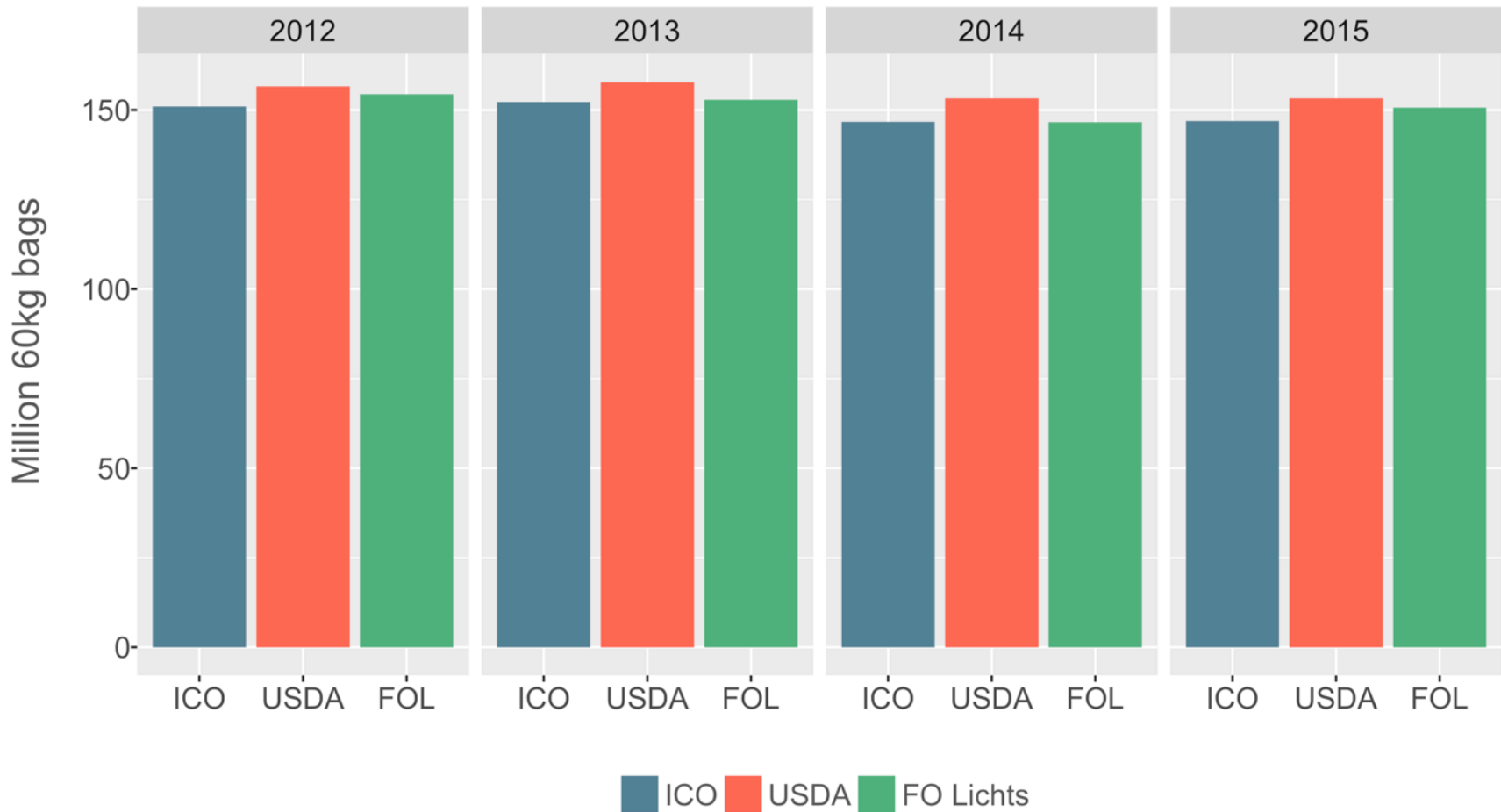


Production Consumption

Balance



# Comparison with other sources





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 with a few clouds. The red circle is semi-transparent, allowing the background to be visible through it.

# Conclusions



**Coffee market in deficit for  
second consecutive year  
in 2015/16**



# Concerns ahead for Robusta in 2016/17





A wooden desk with various items: a magnifying glass with a wooden handle, a brass compass, a globe on a stand, a telescope with a black leather handle, and a stack of books. A large, semi-transparent red circle is overlaid in the center of the image, containing the text "And finally" in white. The background is a wooden surface with a vertical grain.

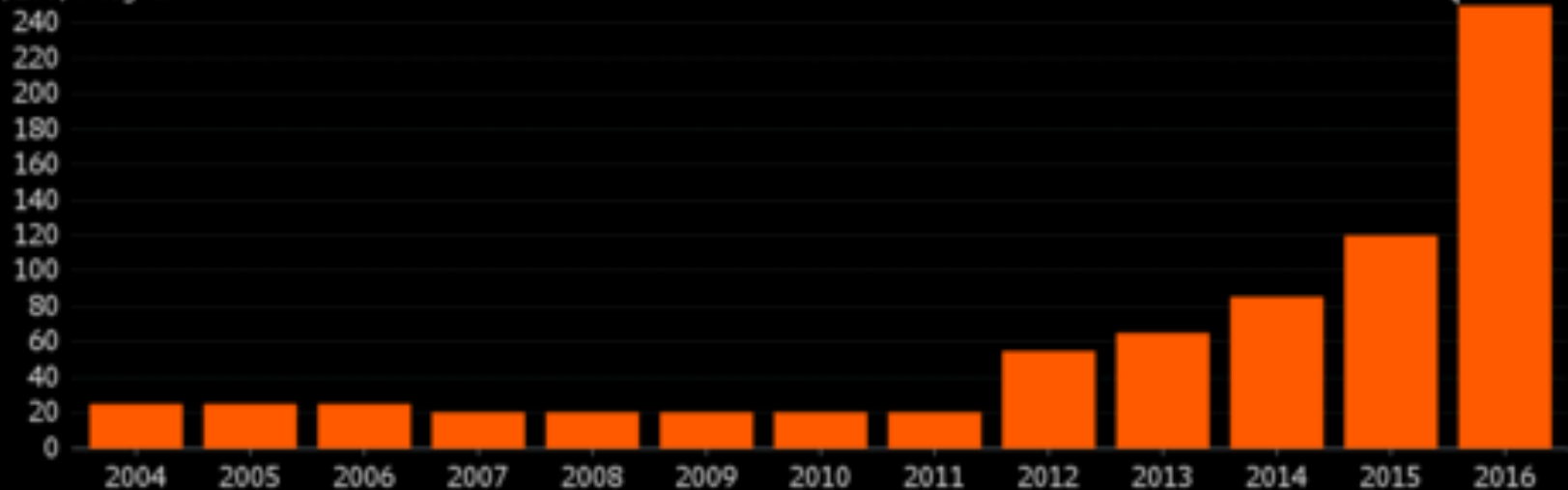
And finally

# Comparison with vanilla (1)

## Expensive Vanilla

Since 2012, a global shortage has sent U.S. prices surging

\$260/kilogram



Source: Cook Flavoring Co.

Note: Chart reflects high end of annual price ranges for top-quality beans

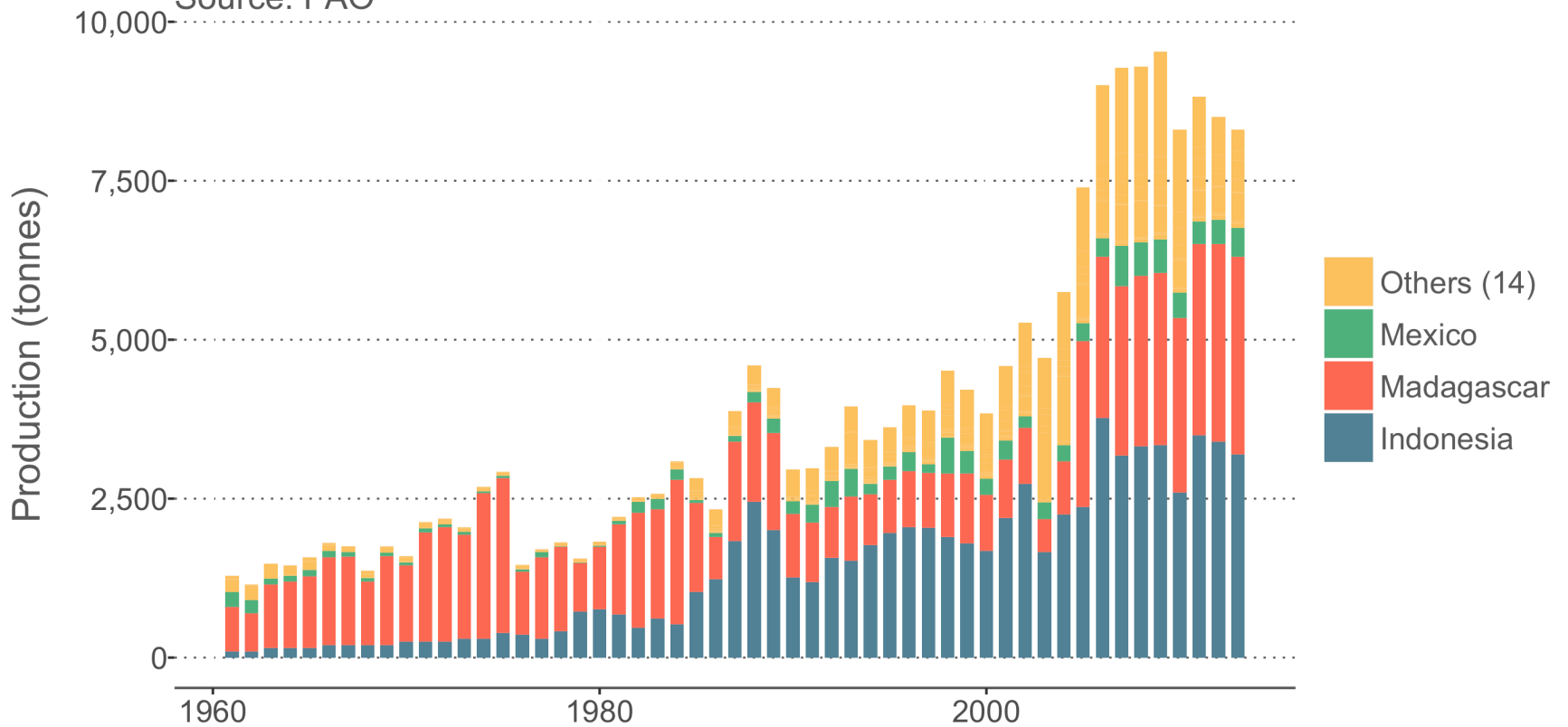
Bloomberg



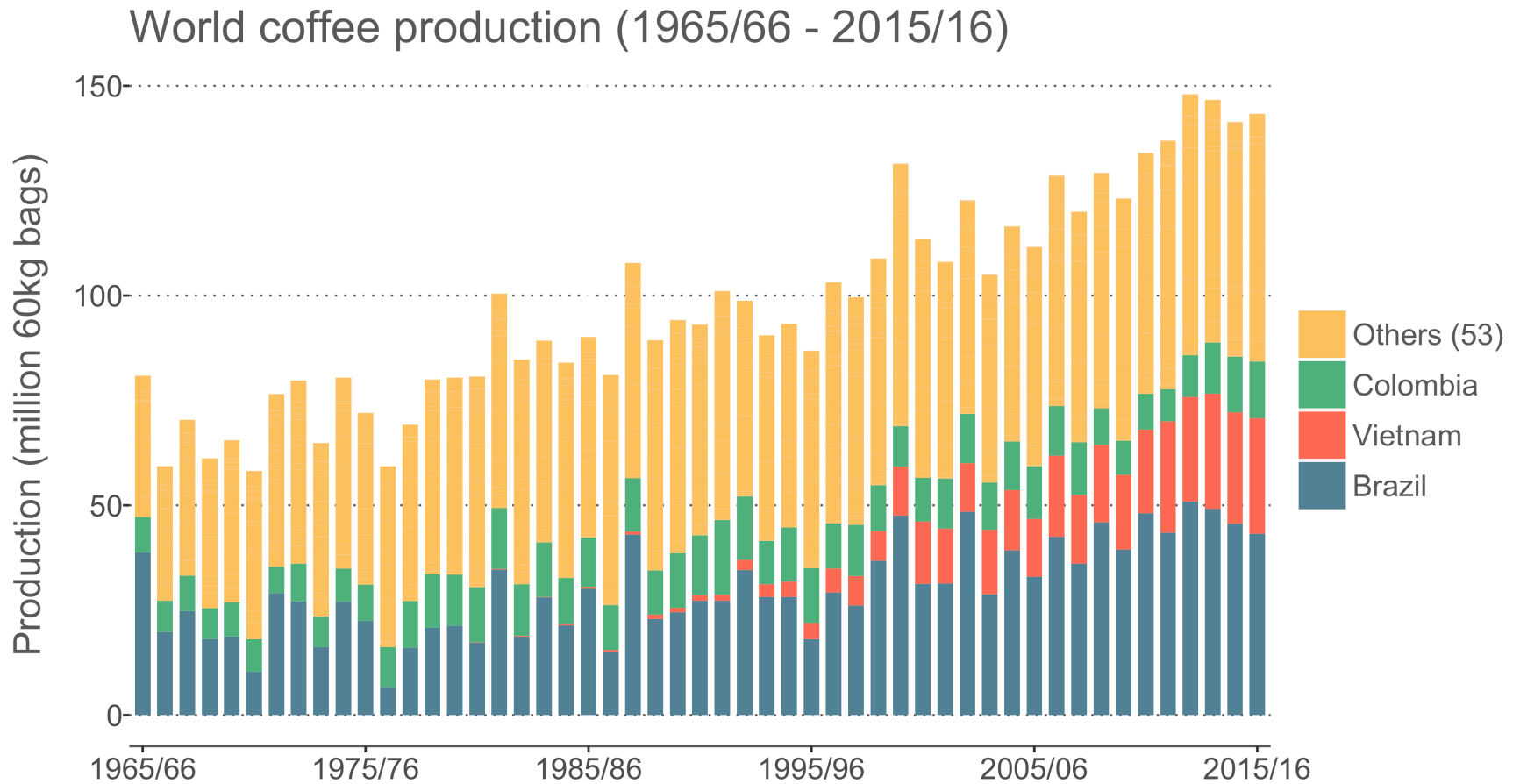
# Comparison with vanilla (2)

World vanilla production (1961 - 2013)

Source: FAO

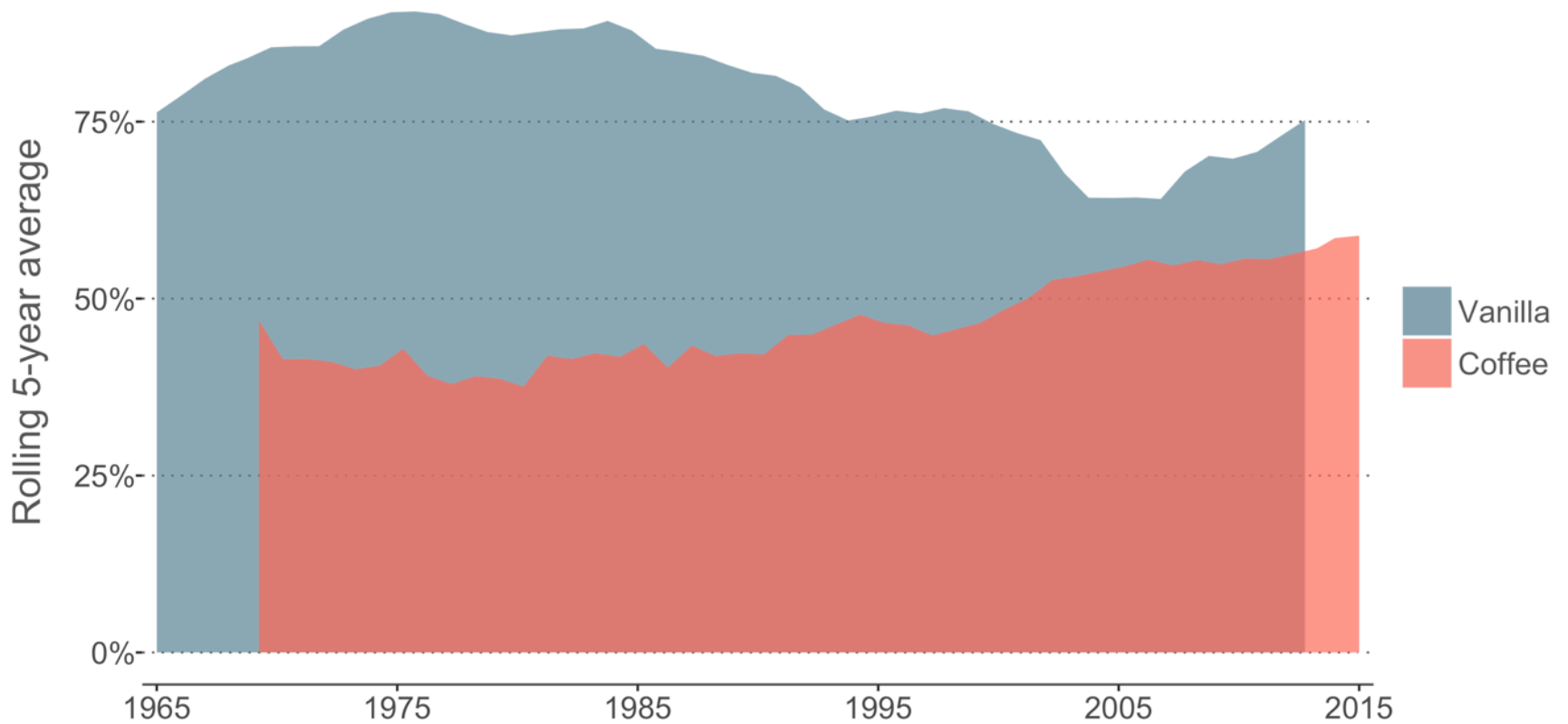


# Comparison with vanilla (3)



# Comparison with vanilla (4)

Market share of top 3 producers





**INTERNATIONAL  
COFFEE  
ORGANIZATION**

**Thank you**