

5.

Coffee market
situation



COFFEE MARKET SITUATION

125th International Coffee Council
23-27 SEPTEMBER 2019
LONDON, UNITED KINGDOM



Prices

InterContinentalExchange, Inc.
134.3600
6.05↑4.72%

Price

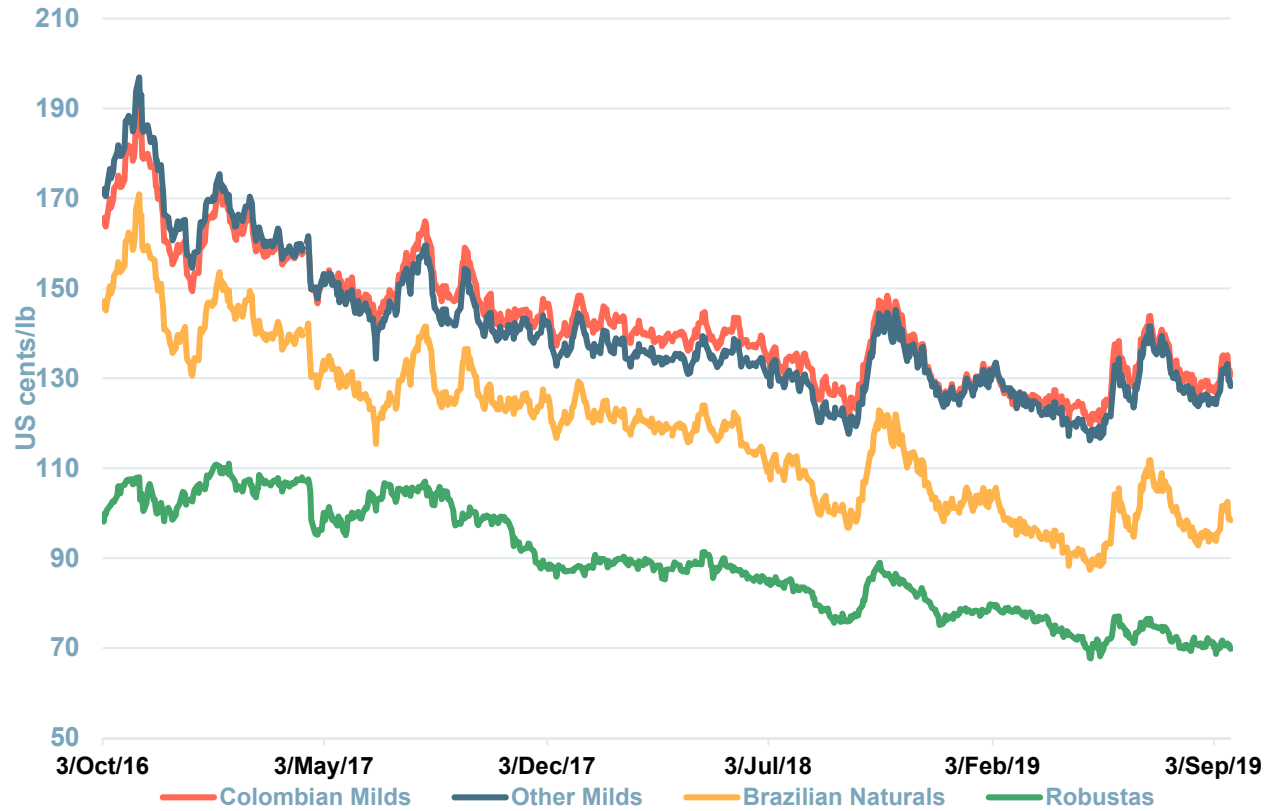
888.140
135.25
135.40
134.00

EAT 100@31.5308

ICO COMPOSITE INDICATOR DAILY PRICE

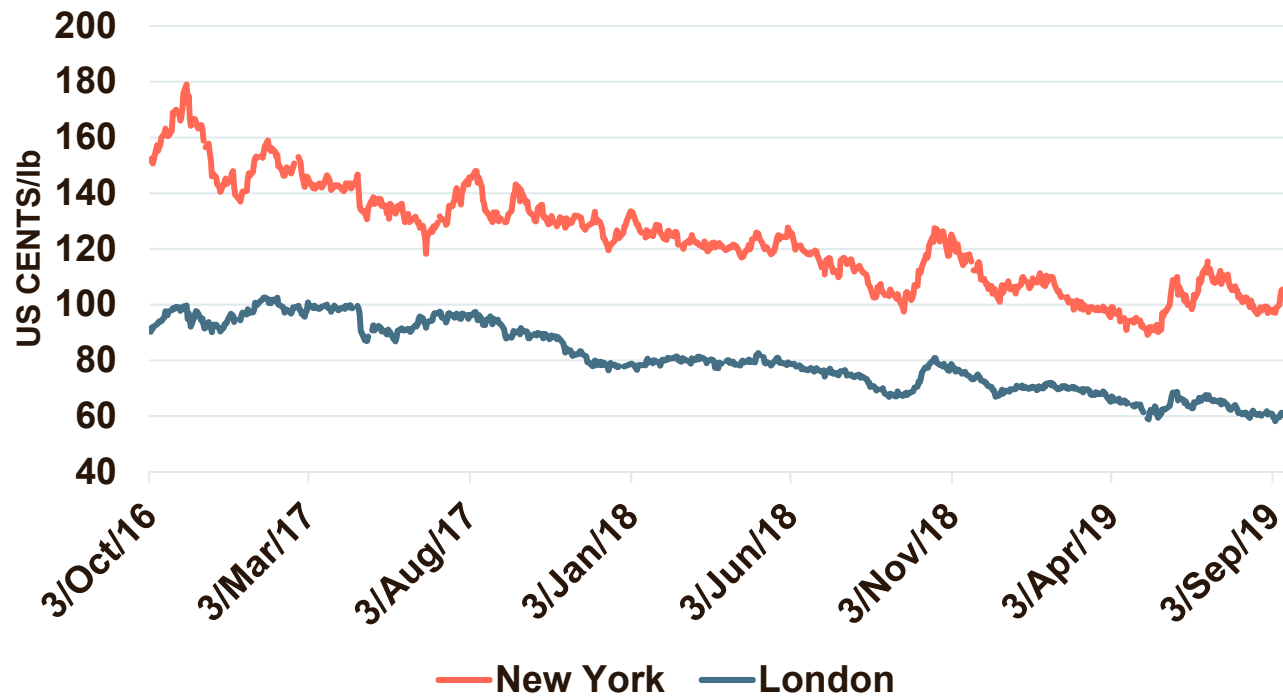


ICO GROUP INDICATOR DAILY PRICES



NEW YORK AND LONDON FUTURES

Average of 2nd and 3rd positions

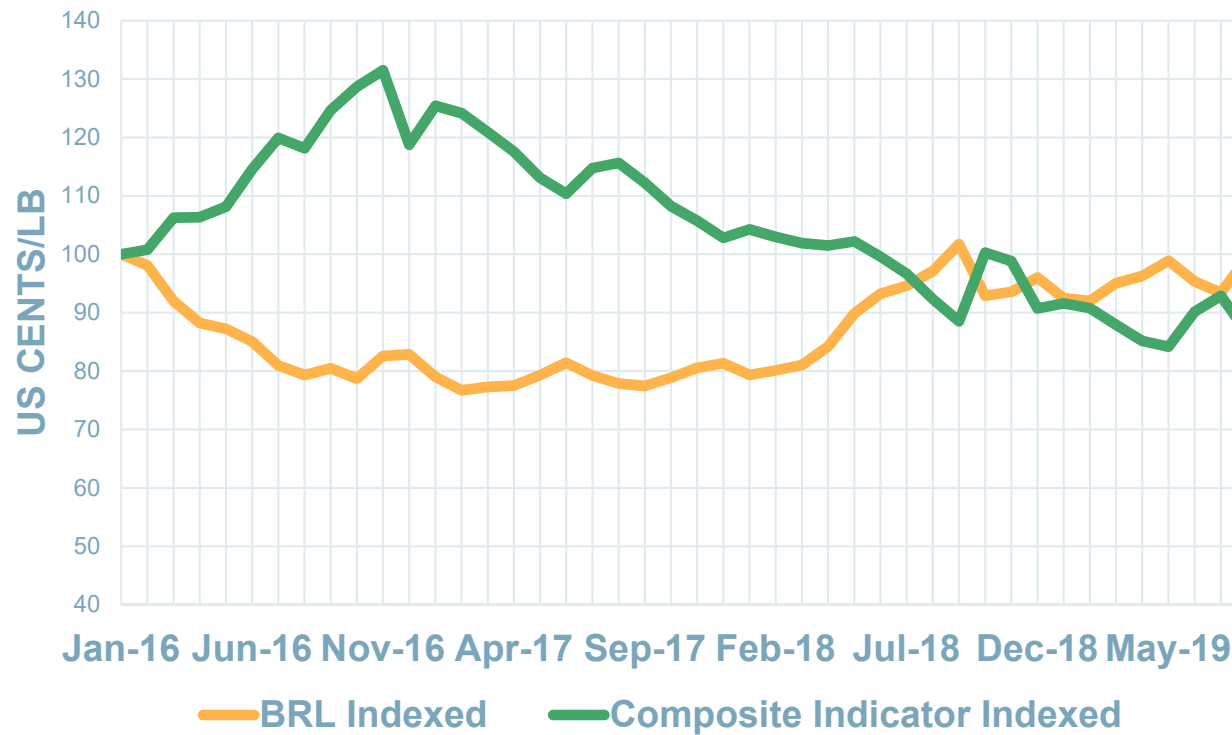


ICO COMPOSITE INDICATOR PRICE SINCE OCTOBER 1990

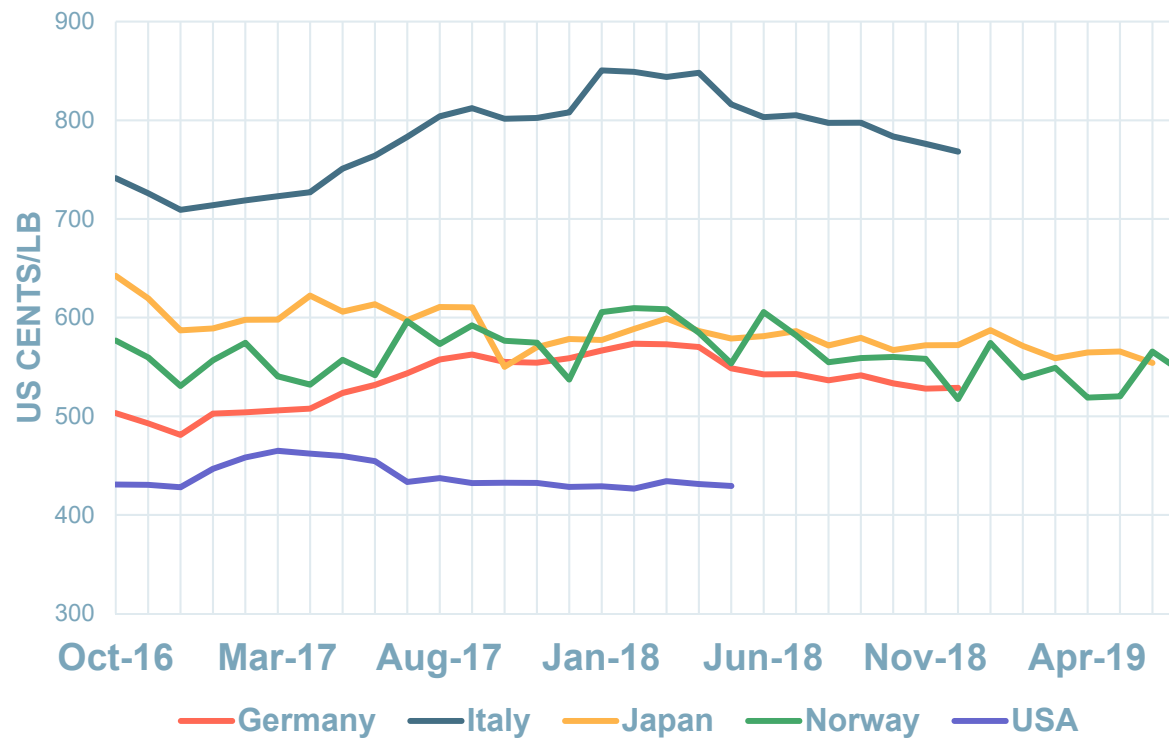
Nominal and real terms
UN index Base year =2000



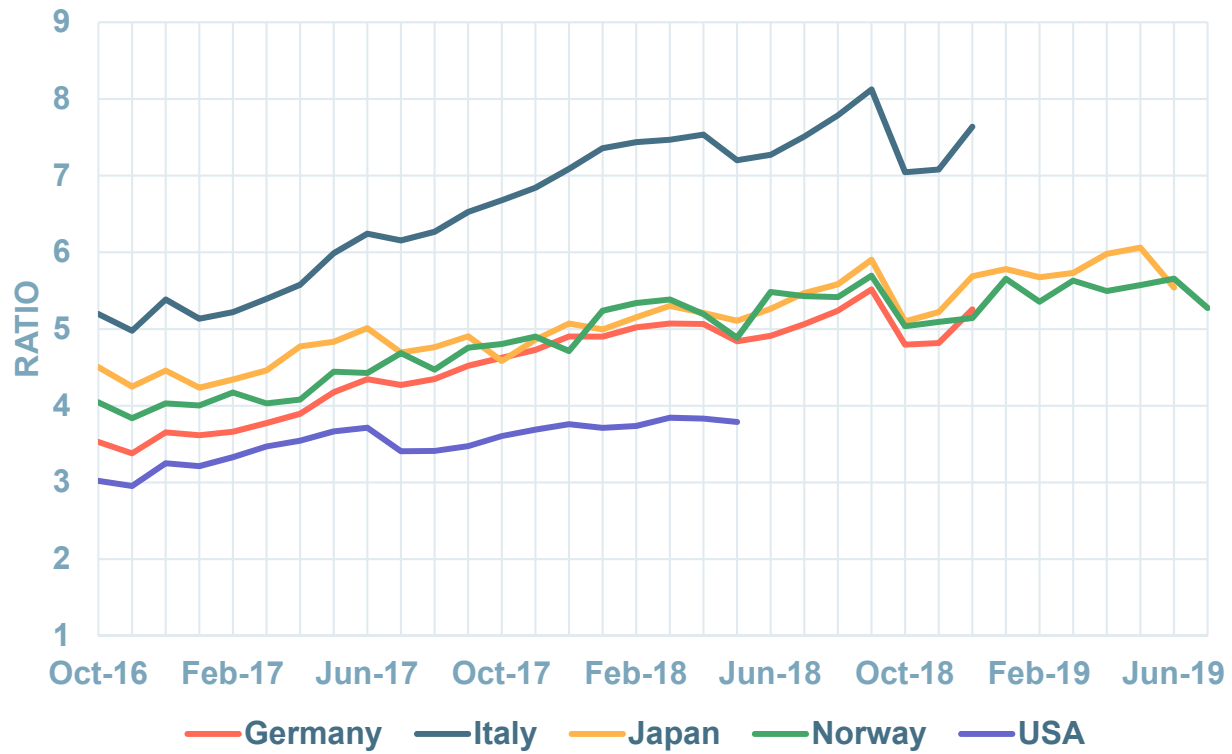
EVOLUTION OF THE ICO COMPOSITE INDICATOR AND THE BRAZILIAN REAL



RETAIL PRICE OF ROASTED COFFEE IN SELECTED COUNTRIES



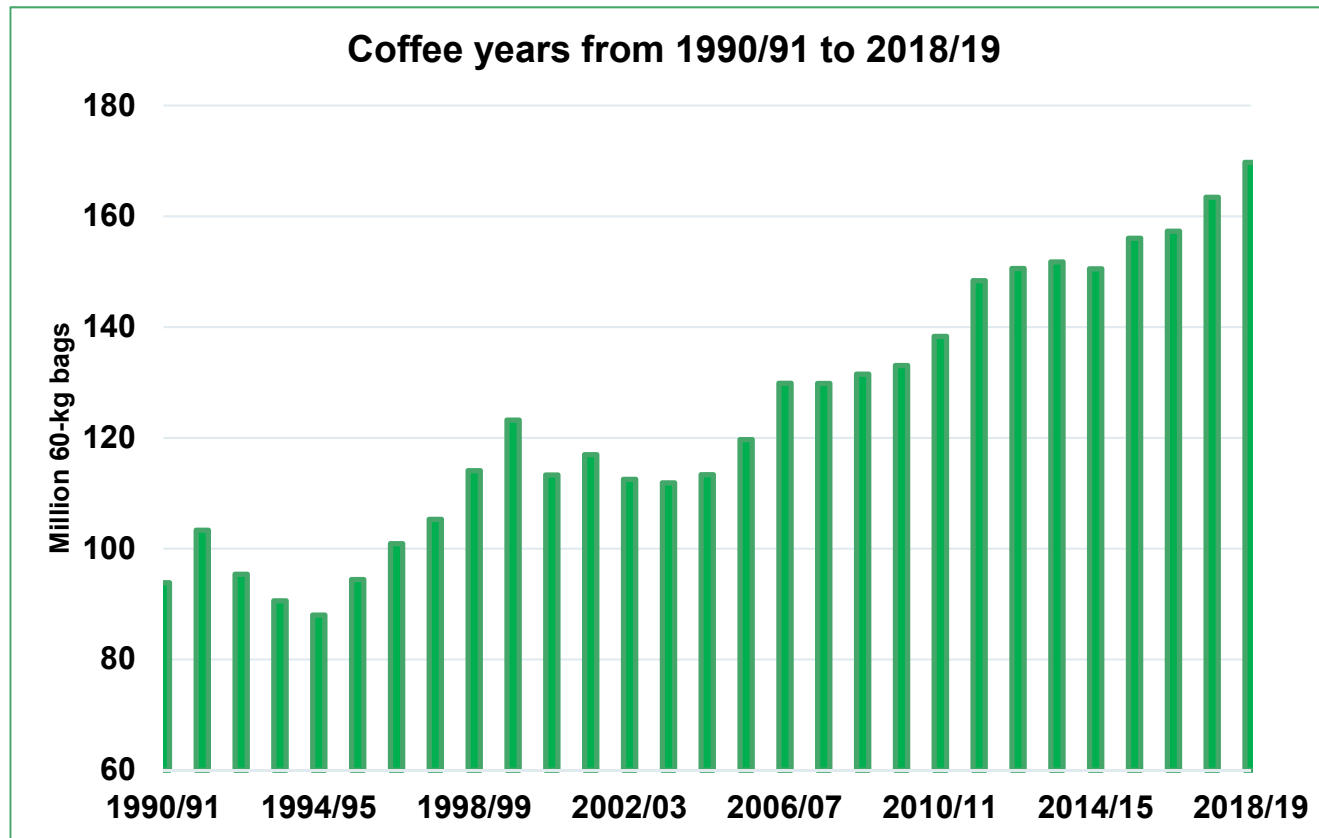
RATIO RETAIL PRICE/ICO COMPOSITE INDICATOR PRICE





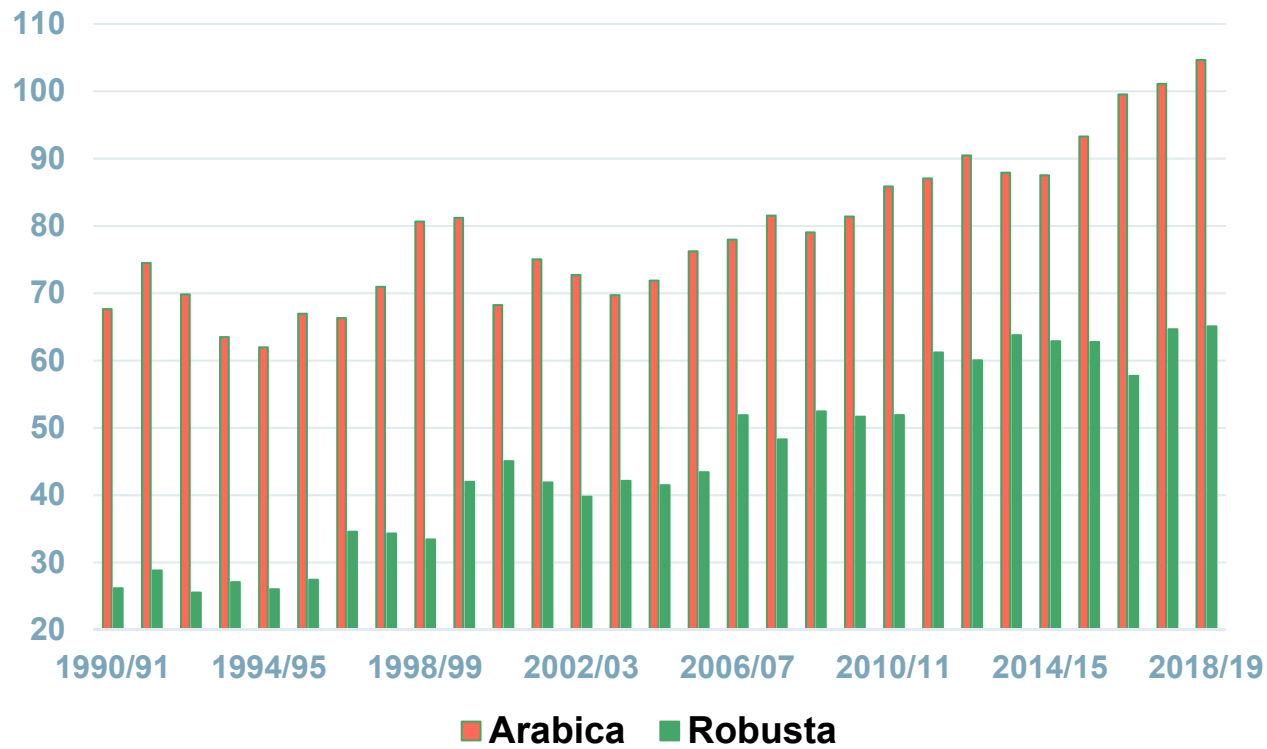
SUPPLY
&
DEMAND

WORLD PRODUCTION

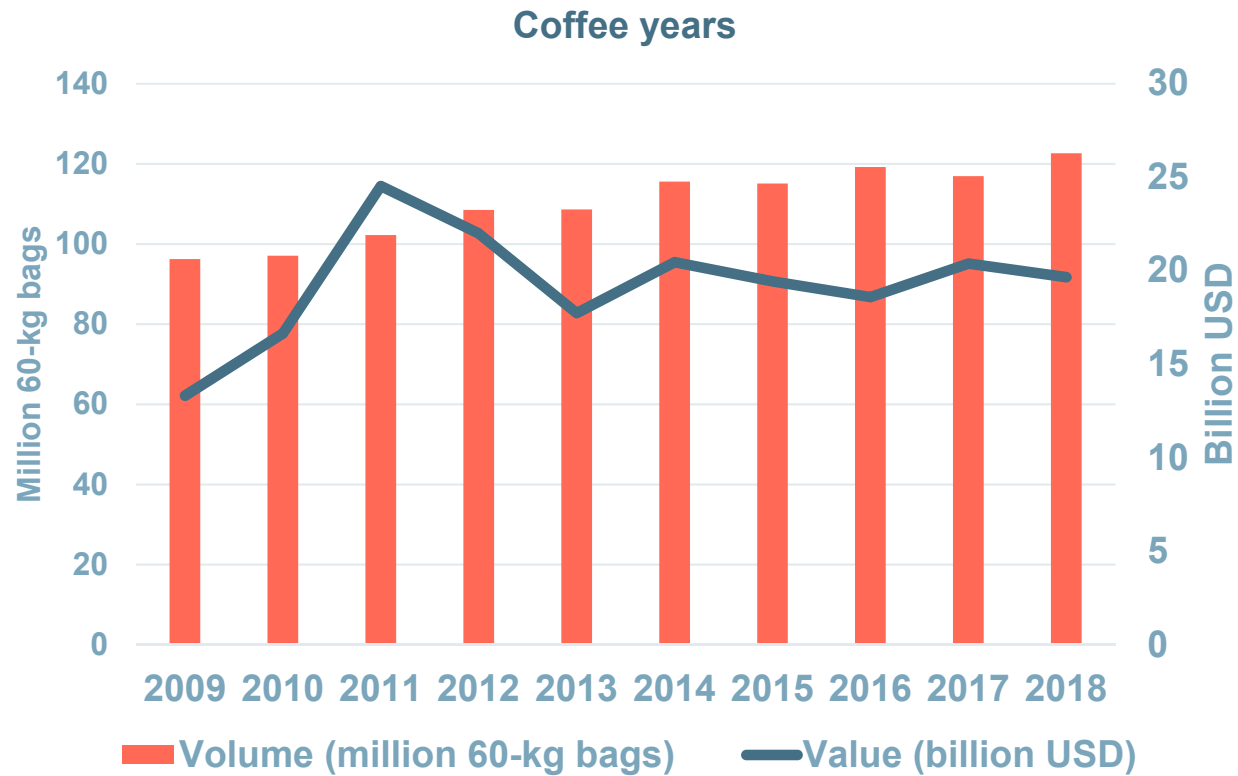


PRODUCTION BY TYPE OF COFFEE

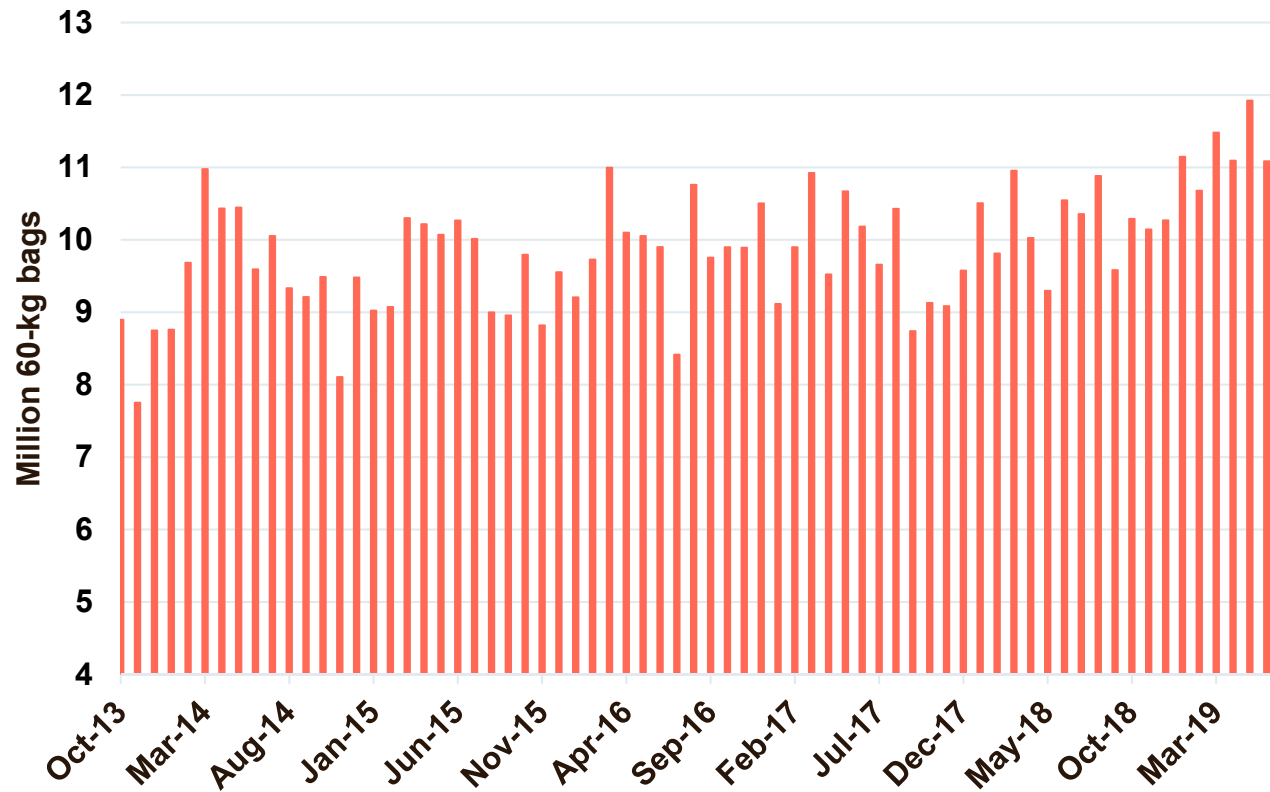
Coffee years 1990/91 - 2018/19



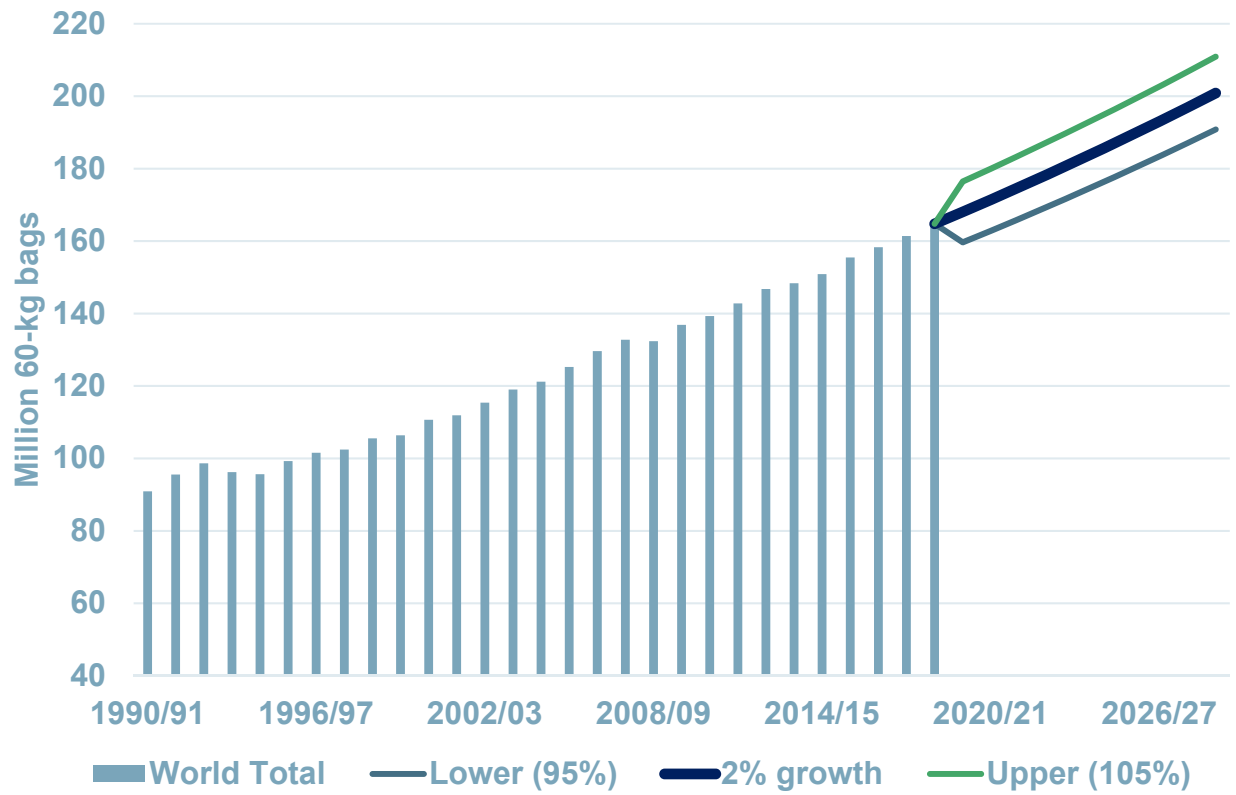
TOTAL EXPORTS VOLUME & VALUE



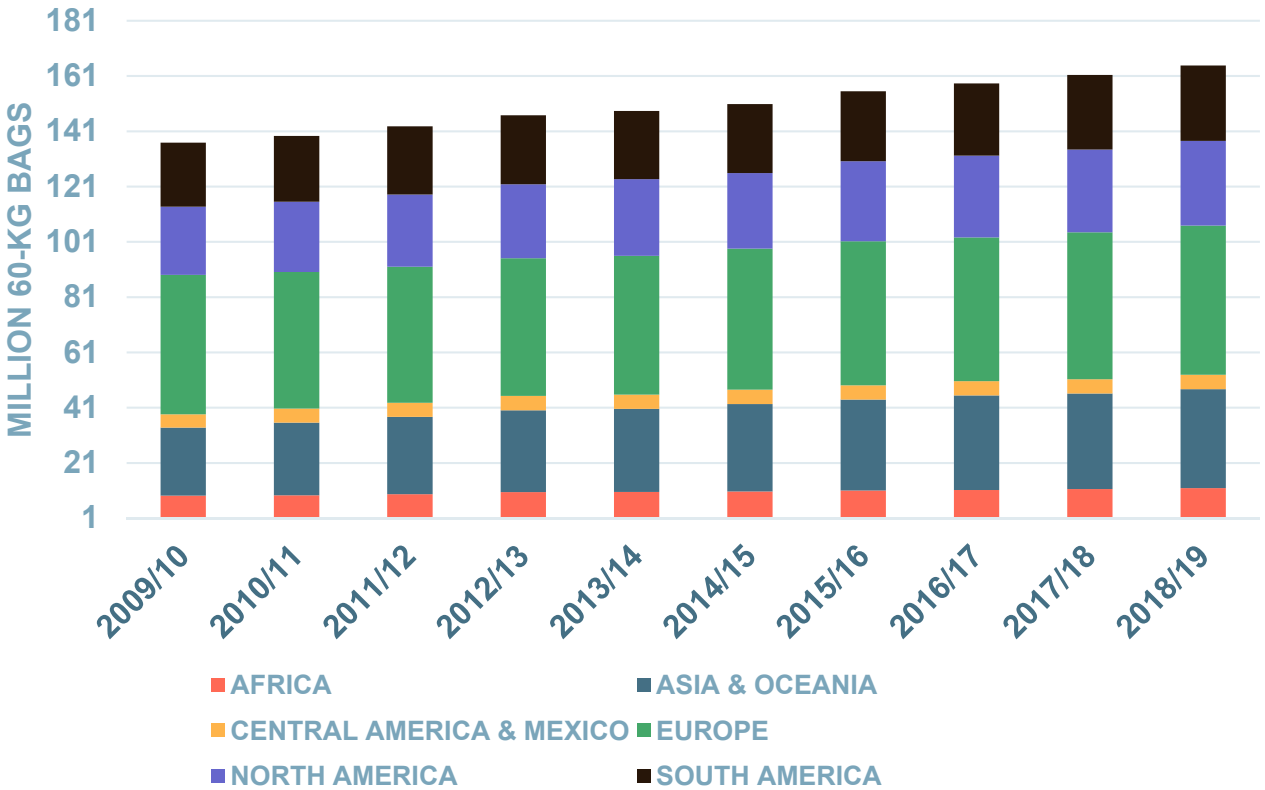
MONTHLY EXPORTS VOLUME



WORLD CONSUMPTION



CONSUMPTION PER REGION



INVENTORIES IN IMPORTING COUNTRIES AND ICO AVERAGE COMPOSITE INDICATOR PRICE





BALANCE

SUPPLY/DEMAND BALANCE & ICO COMPOSITE





CONCLUSIONS

CONCLUSIONS

- ❑ Analysis of fundamental market factors seems to indicate that the downward pressure on prices is mainly attributable to the surplus in the market as exports have been increasing steadily
- ❑ Cumulative surpluses over the last two coffee years amounting 7 million bags.
- ❑ It would be interesting to analyze which ratio of supply/demand is likely to support reasonable price levels.
- ❑ From historical perspectives it should be noted that the previous low prices crisis lasted 4 consecutive years (2000-2004).



CONCLUSIONS

- ❑ However, in the free market environment, increasing domestic consumption will contribute to reducing exports flows and keep a tight balance between supply and demand.
- ❑ A healthy coffee industry will depend on maintaining dynamic growth in consumption. Developing the market will reduce the gap between global supply and world consumption to support prices.





**INTERNATIONAL
COFFEE
ORGANIZATION**

Thank you