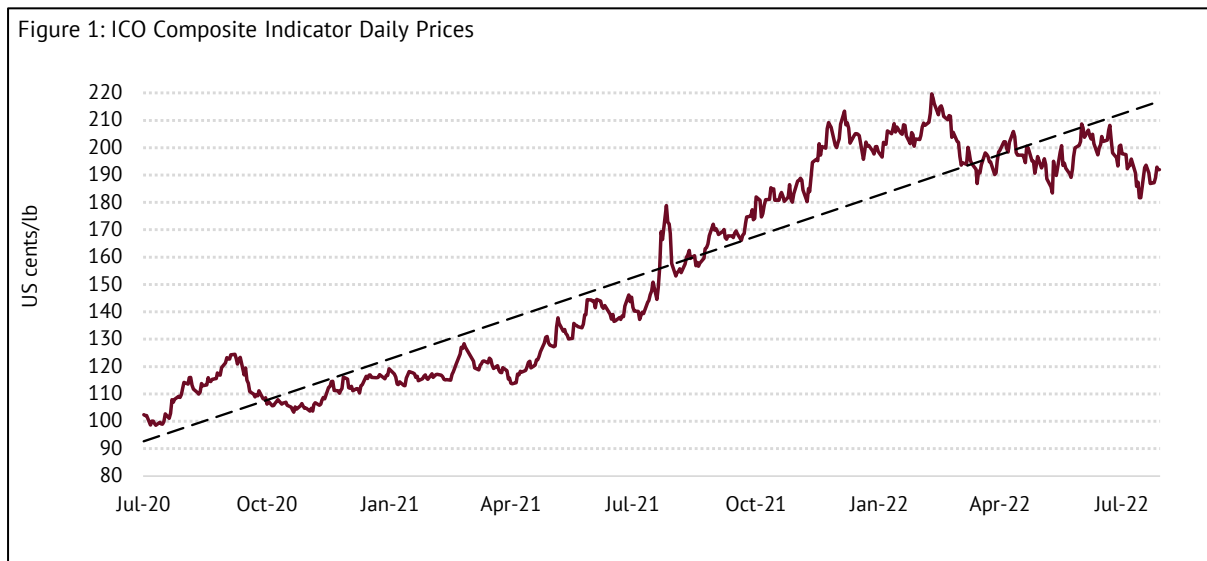




## I-CIP falls back below 200 US cents/lb in July 2022

- *The ICO Composite Indicator Price (I-CIP) was down 5.7% from June to July 2022, averaging 190.82 US cents/lb for the latter.*
- *Average prices for all groups indicators decreased in July 2022.*
- *All of the Arabicas lost ground against the Robustas in July 2022. The Brazilian Naturals suffered the biggest loss, with the differential falling by 9.7% month-on-month to 114.36 US Cents/lb from 126.59 US Cents/lb.*
- *The arbitrage between the New York and London Futures markets shrunk by 10.1%, falling to 121.24 US Cents/lb in July 2022 from 134.90 US cents/lb in June 2022.*
- *Intra-day volatility of the I-CIP decreased 1.1 percentage point between June and July 2022, reaching 10.1%.*
- *The New York certified stocks decreased 32.0% from the previous month, closing in at 0.7 million bags whilst certified stocks of Robusta coffee reached 1.7 million bags, down 3.3%.*
- *Global exports of green beans in June 2022 totalled 10.03 million bags, compared with 9.95 million bags in the same month of the previous year, up 0.8%.*
- *In October 2021 to June 2022, South America's exports of all forms of coffee decreased by 8.5% to 42.26 million bags.*
- *Exports of all forms of coffee from Asia and Oceania increased by 9.4% to 3.61 million bags in June 2022, and by 17.3% to 34.38 million bags in the first nine months of coffee year 2021/22.*
- *Exports of all forms of coffee from Africa decreased by 2.4% to 1.36 million bags in June 2022 from 1.39 million bags in June 2021.*
- *In June 2022, exports of all forms of coffee from Mexico and Central America were down 16.9% to 1.81 million bags as compared with 2.18 million in June 2021.*
- *Total exports of soluble coffee increased by 7.6% in June 2022 to 1.01 million bags, up from 0.94 million bags in June 2021.*
- *The latest provisional outlook for total production in coffee year 2021/22 remains unchanged at 167.2 million bags, a 2.1% decrease versus the 170.83 million bags for the previous coffee year.*
- *World coffee consumption is still projected to grow by 3.3% to 170.3 million 60-kg bags in 2021/22 versus 164.9 million for coffee year 2020/21. In 2021/22, consumption is expected to exceed production by 3.1 million bags.*

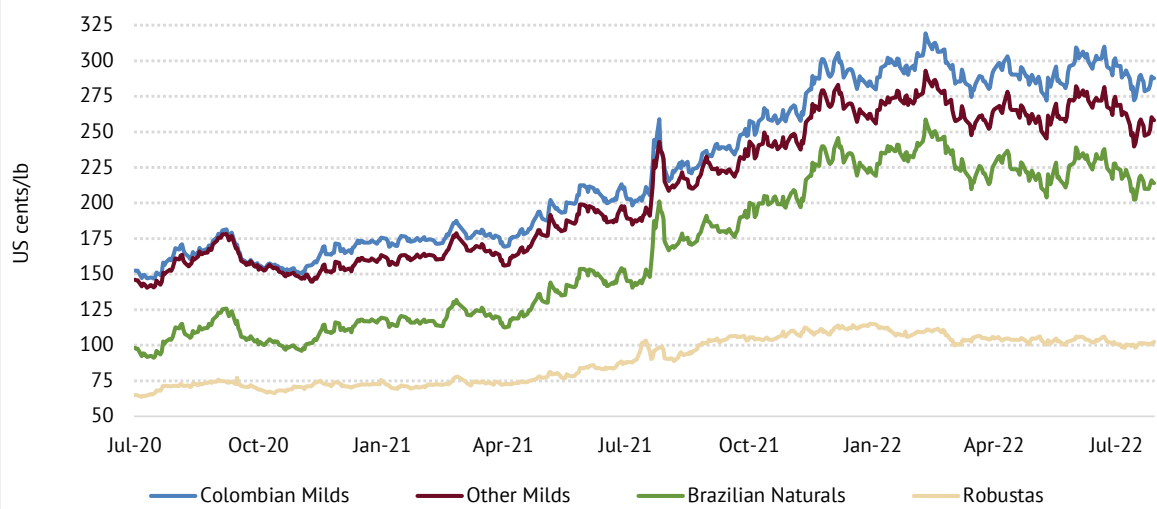
**The ICO Composite Indicator Price (I-CIP) was down 5.7% from June to July 2022, averaging 190.82 US cents/lb for the latter.** In July 2022, the I-CIP fluctuated between 181.71 and 197.83 US cents/lb.



**Average prices for all group indicators decreased in July 2022.** The Brazilian Naturals fell the most, dropping 6.8% from June to July 2022, sinking to an average 214.8 US cents/lb for the month. The Colombian Milds and Other Milds, decreased by 5.1% and 6.5% respectively, month-on-month in July. The former averaged 286.07 US cents/lb in July 2022, whilst the latter averaged 255.91 US cents/lb. The downturns are in part due to the average 2<sup>nd</sup> and 3<sup>rd</sup> positions of the New York futures market, which fell by 8.1% in July 2022 over June 2022. The average of the 2<sup>nd</sup> and 3<sup>rd</sup> positions of the ICE Futures Europe for the Robustas decreased by 5.2%. This is reflected in the relatively lower rate of fall of the Robustas group indicator in July 2022, dropping down to an average 100.44 US cents/lb from 103.81 US Cents/lb in June, a 3.2% month-on-month decline.

**All of the Arabicas lost ground against the Robustas in July 2022. The Brazilian Naturals suffered the biggest loss, with the differential falling by 9.7% month-on-month to 114.36 US Cents/lb from 126.59 US Cents/lb.** The Colombian Milds fared the best against the Robustas, despite the differential narrowing by 6.1% to 185.63 US Cents/lb in July 2022 from 197.76 US Cents/lb in June 2022. Against the other Arabicas, on-the-other-hand, the Colombian Milds made second and third consecutive months of gain, increasing the differential to the Other Milds and Brazilian Naturals by 8.2% and 0.1%, to 30.16 US Cents/lb and 71.27/lb, respectively.

Figure 2: ICO Group Indicator Daily Prices



The arbitrage between the New York and London Futures markets shrunk by 10.1%, falling to 121.24 US Cents/lb in July 2022 from 134.90 US cents/lb in June 2022.

Figure 3: Arbitrage between New York and London futures markets

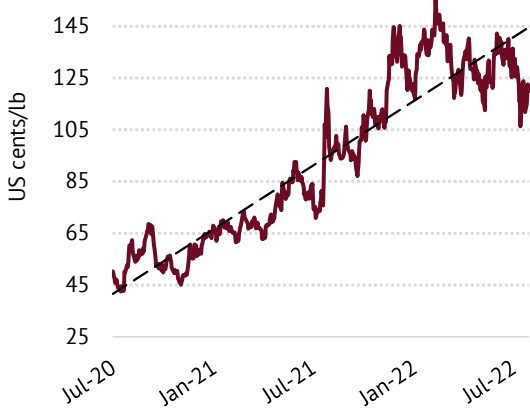
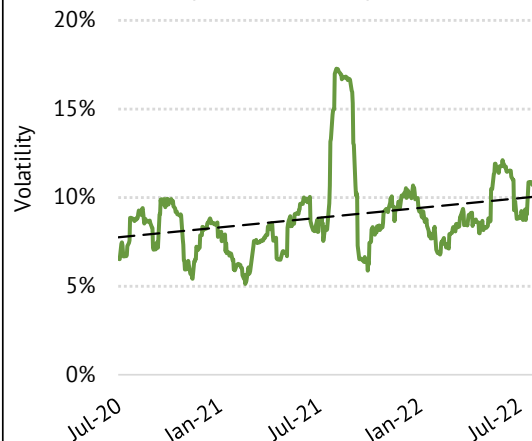
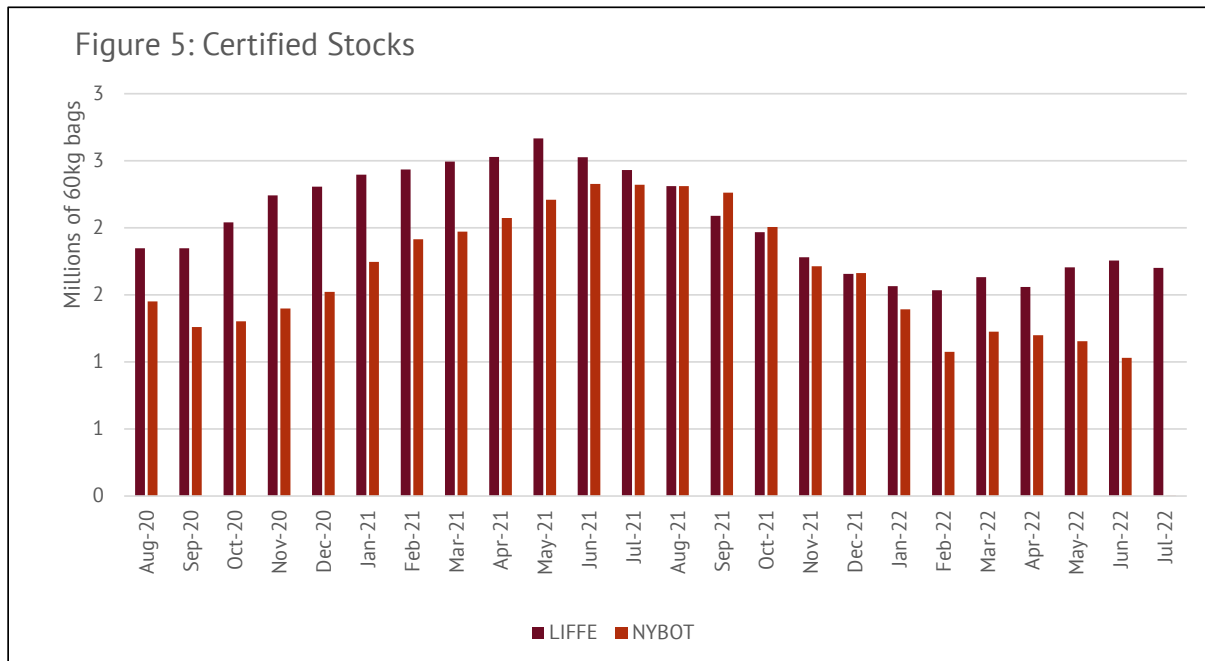


Figure 4: Rolling 30-day volatility of the ICO composite indicator price

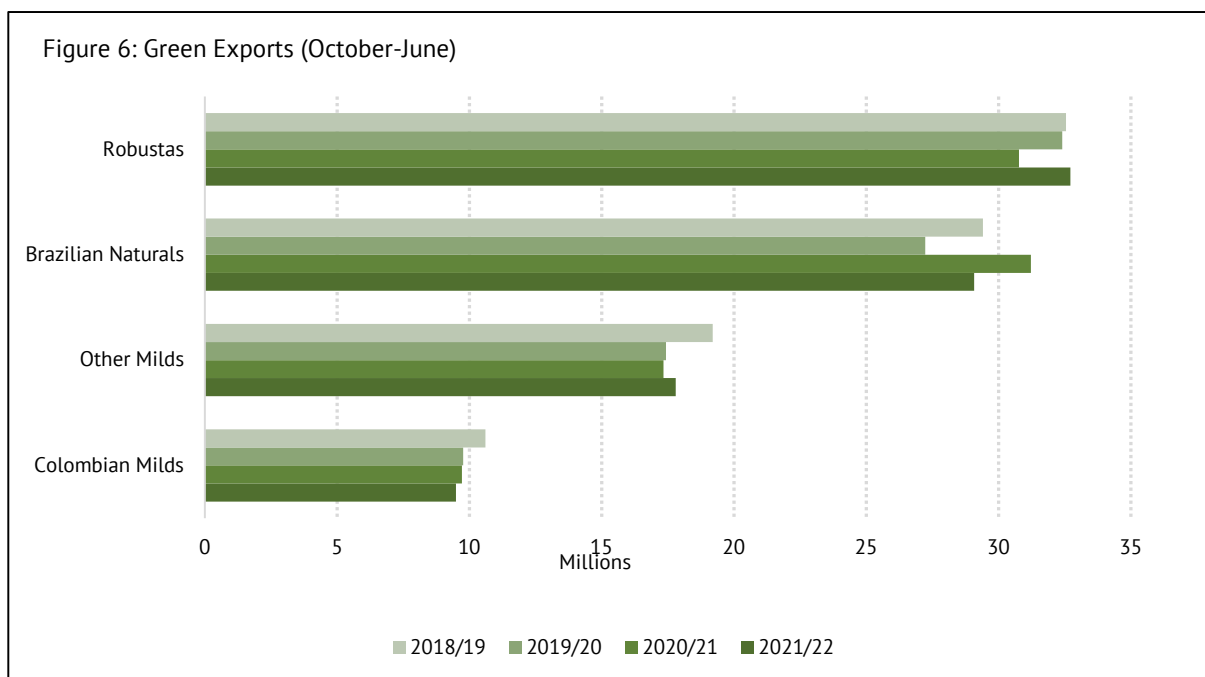


Intra-day volatility of the I-CIP decreased 1.1 percentage point between June and July 2022, reaching 10.1%. Robustas and the London futures market presented the lowest volatility amongst all group indicators, at 6.3% and 6.4% in July 2022. The Brazilian Naturals volatility was the highest amongst the groups, averaging 12.3%, a 1.2 percentage point drop from the previous month. The variation in volatility of the Colombian Milds and Other Milds for June to July 2022 is -0.6 to 9.6% and -0.2 to 10.8%, respectively. The volatility of the New York futures market gained by 0.2 percentage points, averaging 13.5% for the month of July 2022.

The New York certified stocks decreased 32.0% from the previous month, closing in at 0.7 million bags whilst certified stocks of Robusta coffee reached 1.7 million bags, down 3.3%.



Global exports of green beans in June 2022 totalled 10.03 million bags, compared with 9.95 million bags in the same month of the previous year, up 0.8%. Three out of the four groups also increased their exports in June 2022, with only the Other Milds recording a fall, dropping by 13.5%. Despite the double-digit increase in June, for the first nine months of coffee year 2021/22 exports of green beans totalled 89.09 million bags, up only 0.1% as compared with 89.04 million bags for the same period in coffee year 2020/21.



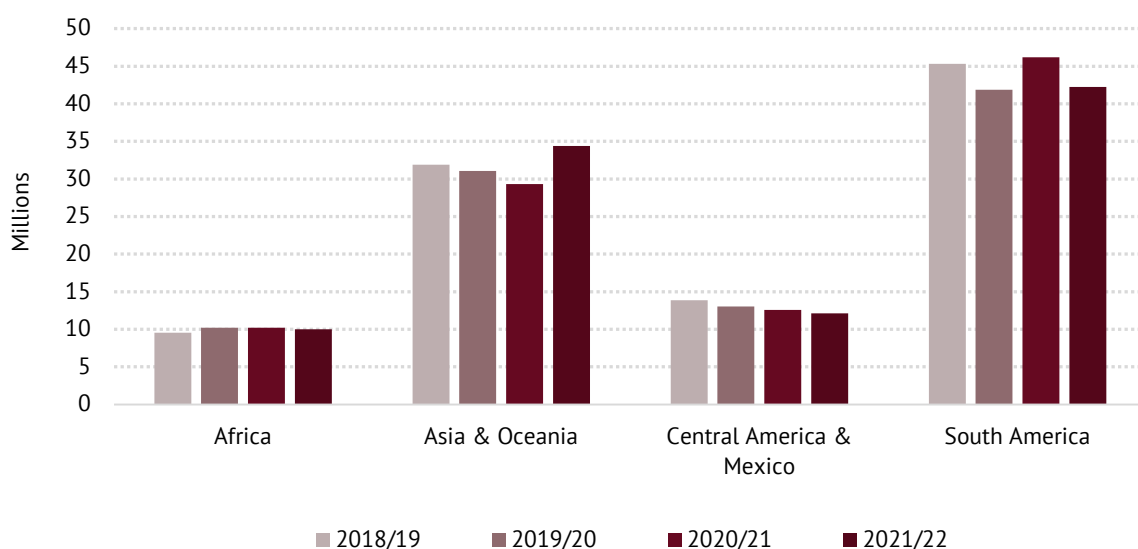
The Brazilian Naturals have continued their recovery, first seen in May 2022, in June, up 12.0% at 3.19 million bags as compared with 2.84 million bags in June 2021. The recovery is driven by Brazil, the biggest producer and exporter of the Brazilian Naturals, as the container and shipping issues it faced earlier in the current coffee year continue to be resolved. In May and June 2022, exports of green beans in Brazil increased by 6.2% and 2.3%, respectively, following 10 consecutive months of negative growths. Nevertheless, exports of the Brazilian Naturals remain 6.8% down for the first nine months of coffee year 2021/22 at 29.08 million bags from 31.22 million bags in the same period a year ago, down 8.9%.

Exports of the Colombian Milds increased by 8.9% to 0.98 million bags in June 2022 versus 0.9 million bags in June 2021, driven primarily by Colombia, whose exports of green beans were up 5.4% in June 2022. Despite the jump, exports of the Colombian Milds from October 2021 to June 2022 remain down by 2.3% at 9.5 million bags as compared with 9.71 million bags in the first nine months of coffee year 2020/21. The sharp increase in the growth of the Colombian Milds is technical, reflecting the 21.0% drop in exports in June 2021, which in turn was due largely to the spill-over of the social unrest occurring throughout Colombia in May, which hampered the normal flow of exports.

Shipments of the Other Milds decreased by 13.5% in June to 2.343 million bags from 2.7 million bags in the same period last year. For the first nine months of coffee year 2021/22, exports of the Other Milds were 17.79 million bags as compared with 17.33 million bags in October 2020 to June 2021, a 2.7% increase. Exports of Robustas totalled 3.52 million bags in June 2022, as compared with 3.5 million bags in June 2021, up 0.5%. Exports of green beans for the first nine months of the current and previous coffee years for Robustas were 32.72 million bags and 30.77 million bags, respectively, up 6.3%.

**In October 2021 to June 2022, South America's exports of all forms of coffee decreased by 8.5% to 42.26 million bags.** During this period, shipments from Brazil declined by 14.2% to 29.5 million bags from 34.4 million bags in October 2020 to June 2021. Continuing issues with availability of containers and shipping capacity, albeit with reported improvements in recent months, and a smaller crop harvested during its Arabica "off-season", are the main reasons for the sharp fall. The volume of exports from Colombia is down 1.6% for the first nine months of coffee year 2021/22 at 9.24 million bags, versus 9.4 million bags for the same period last year. The fall in exports is linked to persistent unfavourable weather conditions reducing the available coffee supply in the country.

Figure 7: Total Exports (October-June)



**Exports of all forms of coffee from Asia and Oceania increased by 9.4% to 3.61 million bags in June 2022, and by 17.3% to 34.38 million bags in the first nine months of coffee year 2021/22.** During these same periods, Vietnam’s exports increased by 12.9% to 2.36 million bags, and 20.0% to 22.77 million bags, respectively. India’s shipments were down 1.3% to 0.63 million bags in June 2022, but up 31.0% to 5.54 million bags in the first nine months of coffee year 2021/22. Exports from Indonesia increased by 15.8% to 0.52 million bags in June 2022 but were down 2.0% to 5.01 million bags in October 2021 to June 2022.

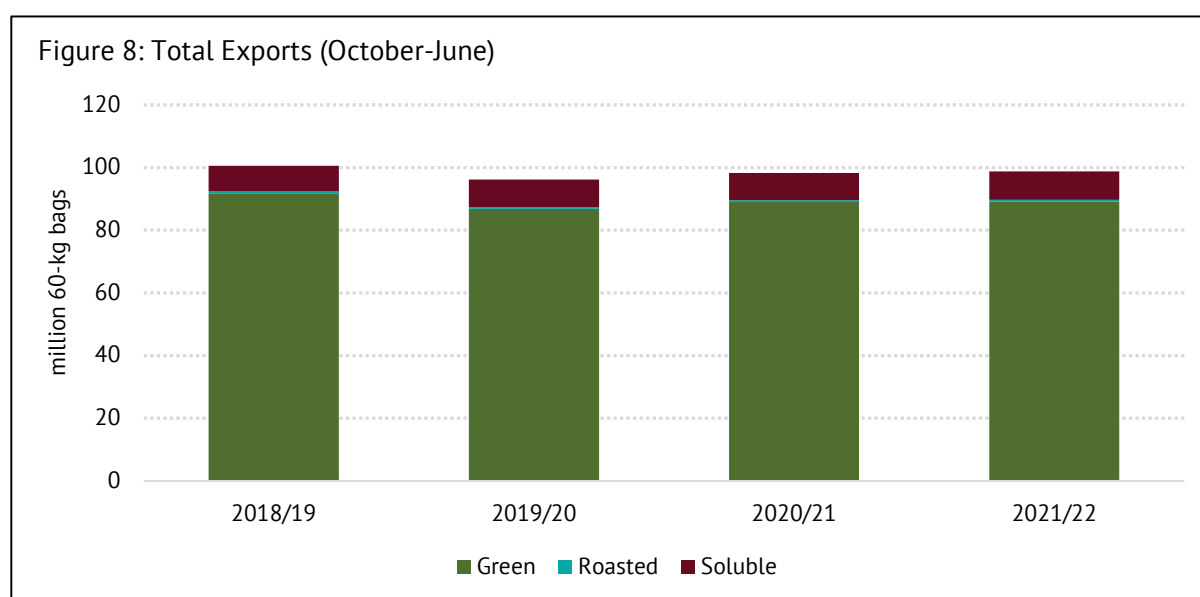
**Exports of all forms of coffee from Africa decreased by 2.4% to 1.36 million bags in June 2022 from 1.39 million bags in June 2021.** For the first nine months of the current coffee year, exports totalled 10.01 million bags as compared with 10.22 million bags in coffee year 2020/21. Uganda’s exports have continued to fall, decreasing by 14.6% in June 2022 and 5.4% in October 2021 to June 2022 as compared with the same period a year ago. Lower production stemming from droughts in some parts of the country’s coffee-growing regions also continues to explain the fall in Uganda’s coffee exports. Exports from Tanzania were down 2.3% in the first nine months of coffee year 2021/22 at 0.83 million bags as compared with 0.85 million bags for the same period last year. Over the same period, exports from Ethiopia increased 14.5% to 2.75 million bags from 2.4 million bags.

**In June 2022, exports of all forms of coffee from Mexico and Central America were down 16.9% to 1.81 million bags as compared with 2.18 million in June 2021.** For the first nine months of the current coffee year, exports are down 3.7%, totalling 12.12 million bags as compared with 12.58 million bags in October 2020 to June 2021. The region’s sharp downturn in June was due to the 33.5% fall in exports from Honduras, the largest exporter of the region, which shipped 0.52 million bags in June 2022 as compared with 0.78 million bags in June 2021. For the first

nine months of coffee year 2021/22, Honduras exported 3.85 million bags, down 15.5% from 4.56 million bags in the same period in coffee year 2020/21. Less rainfall during the bean-filling period across a number of growing regions, a high incidence of rust disease as a result of hurricanes Eta and Iota in 2020, and stumping following an earlier outbreak of rust disease in 2012 led renewal that reached peak production between the 2018/2020 harvests, hence the country's coffee supply continues to negatively affect exports from Honduras.

**Total exports of soluble coffee increased by 7.6% in June 2022 to 1.01 million bags versus 0.94 million bags in June 2021.** In the first nine months of coffee year 2021/22, a total of 9.05 million bags of soluble coffee were exported, representing an increase of 4.3% from the 8.68 million bags exported in the same period during the previous coffee year. The share of soluble coffee within the total exports of all forms of coffee was 10.0% (measured on a moving 12-month average) in June 2022, the same as in June 2021. Brazil is the largest exporter of soluble coffee, shipping 2.96 million bags in the first nine months of coffee year 2021/22, followed by India with 1.6 million bags. Indonesia takes third place with 1.25 million bags exported over the same period.

Exports of roasted beans decreased by 11.2% in June 2022 to 72,472 bags, down from 81,610 bags in June 2021.



The latest provisional outlook for total production in coffee year 2021/22 remains unchanged at 167.2 million bags, a 2.1% decrease as compared to 170.83 million bags of the previous coffee year. World coffee consumption is still projected to grow by 3.3%, to 170.3 million 60-kg bags in 2021/22 as compared to 164.9 million for coffee year 2020/21. In 2021/22, consumption is expected to exceed production by 3.1 million bags.

**Table 1: ICO daily indicator prices and futures prices (US cents/lb)**

	ICO Composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York*	London*
<b>Monthly averages</b>							
Aug-21	160.14	225.40	216.24	174.89	95.18	181.93	84.72
Sep-21	170.02	240.38	225.54	183.72	104.60	191.30	94.91
Oct-21	181.57	258.87	241.06	199.98	105.24	206.05	96.36
Nov-21	195.17	279.56	258.95	218.90	109.40	223.94	100.30
Dec-21	203.06	290.57	267.71	230.26	112.76	234.14	104.14
Jan-22	204.29	294.93	271.08	233.80	109.71	236.13	101.06
Feb-22	210.89	306.36	279.83	245.05	109.44	245.38	100.58
Mar-22	194.78	285.81	258.49	222.03	103.82	222.44	95.21
Apr-22	198.37	292.64	265.40	226.11	103.96	225.37	95.07
May-22	193.71	286.44	260.42	217.84	103.10	218.61	94.31
Jun-22	202.46	301.57	273.69	230.40	103.81	229.38	94.48
Jul-22	190.82	286.07	255.91	214.80	100.44	210.84	89.60
<b>% change between Jun-22 and Jul-22</b>							
	-5.7%	-5.1%	-6.5%	-6.8%	-3.2%	-8.1%	-5.2%
<b>Volatility (%)</b>							
Jun-22	11.2%	10.2%	11.0%	13.5%	7.5%	13.3%	6.9%
Jul-22	10.1%	9.6%	10.8%	12.3%	6.3%	13.5%	6.4%
<b>Variation between Jun-22 and Jul-22</b>							
	-1.1	-0.6	-0.2	-1.2	-1.2	0.2	-0.5

\* Average prices for 2nd and 3rd positions

**Table 2: Price differentials (US cents/lb)**

	Colombian Milds Other Milds	Colombian Milds Brazilian Naturals	Colombian Milds Robustas	Other Milds Brazilian Naturals	Other Milds Robustas	Brazilian Naturals Robustas	New York* London*
Aug-21	9.16	50.51	130.22	41.35	121.06	79.71	97.21
Sep-21	14.84	56.66	135.78	41.82	120.94	79.12	96.39
Oct-21	17.81	58.89	153.63	41.08	135.82	94.74	109.69
Nov-21	20.61	60.66	170.16	40.05	149.55	109.50	123.64
Dec-21	22.86	60.31	177.81	37.45	154.95	117.50	130.00
Jan-22	23.85	61.13	185.22	37.28	161.37	124.09	135.07
Feb-22	26.52	61.30	196.92	34.78	170.39	135.61	144.80
Mar-22	27.33	63.79	181.99	36.46	154.66	118.21	127.23
Apr-22	27.24	66.53	188.68	39.28	161.44	122.15	130.30
May-22	26.02	68.60	183.34	42.57	157.32	114.75	124.30
Jun-22	27.88	71.18	197.76	43.29	169.88	126.59	134.90
Jul-22	30.16	71.27	185.63	41.10	155.46	114.36	121.24
<b>% change between Jun-22 and Jul-22</b>							
	8.2%	0.1%	-6.1%	-5.1%	-8.5%	-9.7%	-10.1%

\* Average prices for 2nd and 3rd positions



**Table 3: World Supply/Demand Balance**

Coffee year commencing	2017	2018	2019	2020*	2021*	% change 2020/21
<b>PRODUCTION</b>	<b>167,806</b>	<b>170,195</b>	<b>168,902</b>	<b>170,830</b>	<b>167,170</b>	<b>-2.1%</b>
Arabica	98,128	99,855	97,014	101,157	93,970	-7.1%
Robusta	69,678	70,340	71,889	69,674	73,200	5.1%
Africa	17,404	18,510	18,666	19,331	19,270	-0.3%
Asia & Oceania	52,203	48,108	49,427	48,016	51,433	7.1%
Mexico & Central America	21,752	21,640	19,598	19,674	18,993	-3.5%
South America	76,453	81,934	81,214	83,812	77,473	-7.6%
<b>CONSUMPTION</b>	<b>160,006</b>	<b>166,730</b>	<b>162,998</b>	<b>164,865</b>	<b>170,298</b>	<b>3.3%</b>
Exporting countries	48,586	49,423	49,370	49,967	50,322	0.7%
Importing countries (Coffee Years)	111,421	117,307	113,629	114,898	119,975	4.4%
Africa	10,810	12,033	11,101	11,449	11,721	2.4%
Asia & Oceania	35,129	36,227	36,350	39,657	40,834	3.0%
Mexico & Central America	5,273	5,431	5,346	5,381	5,399	0.3%
Europe	53,527	55,452	53,949	51,983	54,206	4.3%
North America	29,939	31,789	30,581	30,292	31,913	5.4%
South America	25,829	26,324	26,321	26,603	26,724	0.5%
<b>BALANCE</b>	<b>7,799</b>	<b>3,465</b>	<b>5,904</b>	<b>5,965</b>	<b>-3,128</b>	

\*preliminary estimates

As the figures in this table are on a coffee year basis, these estimates will vary from the figures published in Table 1 of Coffee Production Report (<http://www.ico.org/prices/po-production.pdf>), which contains crop year data. For further details, see the explanatory note at the end of this report

**Table 4: Total exports by exporting countries**

	Jun-21	Jun-22	% change	Year to Date Coffee Year		
				2020/21	2021/22	% change
<b>TOTAL</b>	<b>10,974</b>	<b>11,112</b>	<b>1.3%</b>	<b>98,315</b>	<b>98,770</b>	<b>0.5%</b>
Arabicas	6,981	7,079	1.4%	63,084	61,368	-2.7%
Colombian Milds	1,001	1,082	8.1%	10,521	10,360	-1.5%
Other Milds	2,934	2,564	-12.6%	19,148	19,804	3.4%
Brazilian Naturals	3,047	3,434	12.7%	33,415	31,204	-6.6%
Robustas	3,993	4,033	1.0%	35,232	37,402	6.2%

In thousand 60-kg bags

Monthly trade statistics are available on the ICO website at [www.ico.org/trade\\_statistics.asp](http://www.ico.org/trade_statistics.asp)

**Table 5: Certified stocks on the New York and London futures markets**

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
New York	2.31	2.27	2.01	1.72	1.67	1.40	1.08	1.23	1.20	1.16	1.03	0.70
London	2.31	2.09	1.97	1.78	1.66	1.57	1.54	1.63	1.56	1.71	1.76	1.70

In million 60-kg bags

### **Explanatory Note for Table 3**

For each year, the Secretariat uses statistics received from Members to provide estimates and forecasts for annual production, consumption, trade and stocks. As noted in paragraph 100 of document [ICC 120-16](#), these statistics can be supplemented and complemented by data from other sources when information received from Members is incomplete, delayed or inconsistent. The Secretariat also considers multiple sources for generating supply and demand balance sheets for non-Members.

The Secretariat uses the concept of the marketing year, that is the coffee year commencing on 1 October of each year, when looking at the global supply and demand balance. Coffee-producing countries are located in different regions around the world, with various crop years, i.e. the 12-month period from one harvest to the next. The crop years currently used by the Secretariat commence on 1 April, 1 July and 1 October. To maintain consistency, the Secretariat converts production data from a crop year basis to a marketing year basis depending on the harvest months for each country. Using a coffee year basis for the global coffee supply and demand, as well as prices, ensures that analysis of the market situation occurs within the same time period.

For example, the 2018/19 coffee year began on 1 October 2018 and ended 30 September 2019. However, for producers with crop years commencing on 1 April, the crop year production occurs across two coffee years. Brazil's 2018/19 crop year began on 1 April 2018 and finished 31 March 2019, covering the first half of coffee year 2018/19. However, Brazil's 2019/20 crop year commenced 1 April 2019 and ended 31 March 2020, covering the latter half of coffee year 2019/20. In order to bring the crop year production into a single coffee year, the Secretariat would allocate a portion of the April–March 2018/19 crop year production and a portion of the April–March 2019/20 production into 2018/19 coffee year production.

It should be noted that while estimates for coffee year production are created for each individual country, these are made for the purpose of creating a consistent aggregated supply-demand balance for analytical purposes and does not represent the production occurring on the ground within the individual countries.

#### **Note:**

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