



CONSUMPTION OVERVIEW: PRODUCING COUNTRIES

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CONSUMPTION OVERVIEW

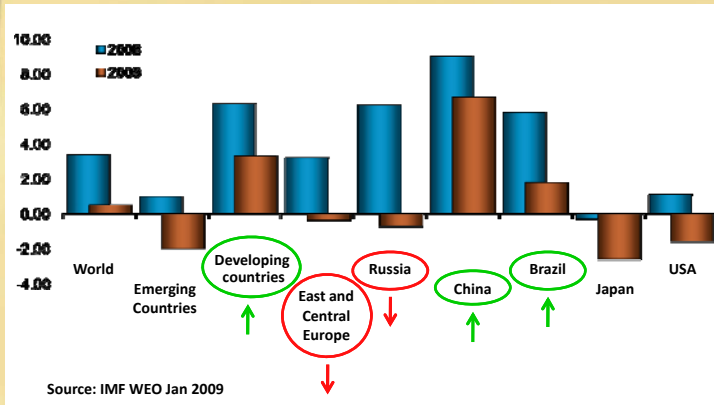
CONSUMPTION 2008/2009

MARKETS	MILLION BAGS	%
CONSUMERS	94	72
BRAZIL	18	14
OTHER PRODUCERS	18	14
WORLD TOTAL	130	100

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ECONOMIC PERSPECTIVES ARE BETTER FOR DEVELOPING COUNTRIES

GDP growth rate - Projection



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COFFEE CONSUMPTION (2008/09)

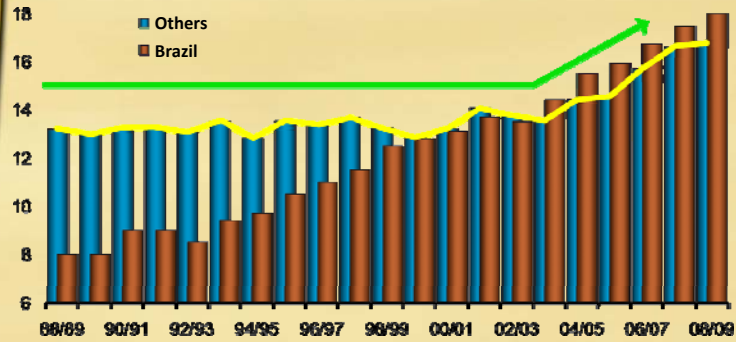
Producing countries	Thousands of bags	
Brazil	18.200	●
Indonesia	3.300	○
Mexico	2.200	●
Ethiopia	1.800	●
Central America	1.500	●
India	1.400	●
Colombia	1.400	●
Vietnam	1.000	○
Philippines	1.000	○
Others	4.700	
Total	36.500	

WORLD CONSUMPTION 2007: 127 MI BAGS
2008: 130 MI BAGS

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CONSUMPTION INCREASES AT ORIGIN

Million bags of 60 kg



Source: J. Ganes Consulting

The role of ICO

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ICO AND PROMOTION IN PRODUCING COUNTRIES

- Sponsored Step-by-Step Guide to promote coffee consumption - methodological basis for programs

- India
- Mexico
- Indonesia
- El Salvador
- Costa Rica
- Colombia

- Set up CoffeeClub Network

- Education and training, workshops



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CONSUMPTION PROGRAMS IN PRODUCING COUNTRIES UPDATE

- Colombia
 - program ready to be launched next week
 - industry + FNC
 - 4 initial strategic lines
 - . benefits of coffee
 - . occasions and places of consumption
 - . revaluing coffee in retail channels
 - . support network
 - total investment 2010: US\$ 3million
 - goal to reach 3kg/capita (today 1.8kg/capita)

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COFFEE CONSUMPTION: BRIC OR BIIC? BRIC CONSUMPTION

- Brazil - 18.2 million bags/year
- Russia - 3.7 million bags/year
 - ↳ not a coffee producing country
- India - 1.4 million bags/year
- China - 500 thousand bags/year
 - large populations
 - high rates of consumption growth
 - weathered the crisis well (except Russia)



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COFFEE CONSUMPTION: BRIC OR BIIC? BIIC CONSUMPTION

BRAZIL · INDIA · INDONESIA · CHINA

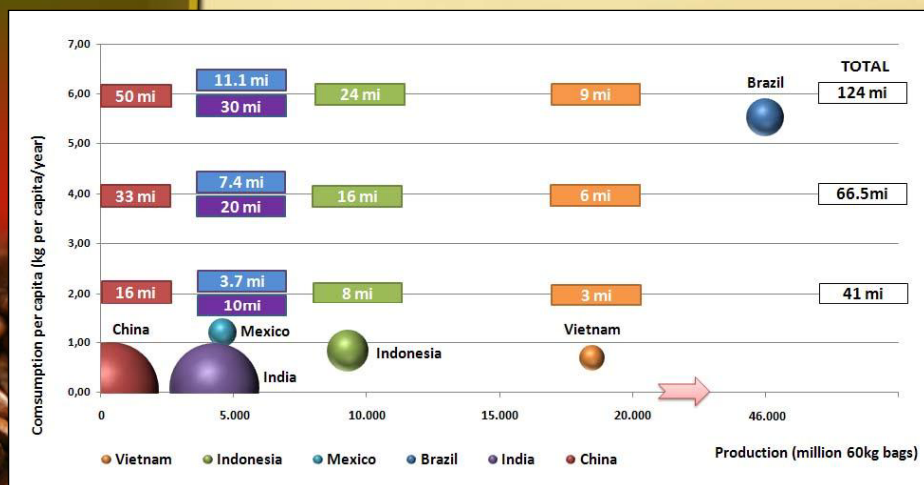
- Highest rates of consumption growth – estimated 5 to 6% per year
- Coffee producing countries with largest population (2.6 billion people / 800 million consumers)
- Share of world consumption: 18 → 25% in 10 years (from 24 to 35 million bags in 2020)
- Coffee more and more consumed (fashionable)
- High potential to expand consumption (20 million bags at 2kg/capita/year)



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ESTIMATED POTENTIAL TO INCREASE CONSUMPTION



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VIETNAM AND PHILIPPINES

- Consumption over 1 million bags...
- ... but only 0.7kg/capita
- Sizable populations
- Potential to increase consumption with new trends
- Philippines: already net importer of coffee



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CHANGES TO THE GEOPOLITICS OF COFFEE

- Producing countries will respond for larger share of consumption
- India and China to become net coffee importers
- Consumption to shift eastward (Pacific - Indian basin)
- Additional consumption: soluble coffee initially

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NEW IDEAS ABOUT PROMOTING CONSUMPTION

- Markets where coffee is novelty
 - natural enthusiasm
 - industry “creates” consumption by itself (Indonesia / China)
- Markets where coffee is traditional
 - need to generate enthusiasm
 - institutional programs are vital (Brazil / Colombia / Central America / Mexico)
- Mix of both
 - India
 - Africa

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EMERGING MARKETS CONSUMPTION OVERVIEW

- Large population / growing fast
- Tea is traditional beverage in many countries
- Soluble coffee as market driver
- Barriers to coffee consumption:
 - cultural
 - economic
- Coffee is considered luxury
- Western way of life motivates consumption
- Expansion of coffee shop chains
- Impact of global crisis?



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CONSUMPTION IN EMERGING MARKETS (2008)

Emerging countries	Thousands of bags
Russia	3.700
Ukraine	1.700
Poland	1.200
Romania	800
Serbia	700
Hungary	600
Czech Republic	500
Bulgaria	500
Croacia	400
Bosnia - Herzegovina	400
Slovakia	350
Lithuania	200
Latvia	100
Slovenia	200

5 million bags



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THANK YOU!



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