



I-CIP rises for third consecutive month, reaching 176.41 US cents/lb

- The ICO Composite Indicator Price (I-CIP) averaged 176.41 US cents/lb in January, a 0.4% increase from December 2023. The I-CIP posted a median value of 173.90 US cents/lb, having fluctuated between 171.08 and 185.54 US cents/lb.
- The Colombian Milds and Other Milds decreased by 2.4% and 3.5%, to 205.62 and 203.30 US cents/lb, respectively, in January 2024.
- The Colombian Milds–Other Milds differential grew from –0.08 to 2.32 US cents/lb.
- Arbitrage, as measured between the London and New York Futures markets, retracted by 24.8% to 47.22 US cents/lb in January 2024.
- Intra-day volatility of the I-CIP remained stable at 10.1% between December 2023 and January 2024.
- Global green bean exports in December 2023 totalled 10.87 million bags, as compared with 9.66 million bags in the same month of the previous year, up 12.6%.
- Shipments of the Other Milds increased by 19.9% in December 2023 to 1.46 million bags from 1.22 million bags in the same period last year.
- Green bean exports of the Brazilian Naturals increased in December 2023, rising by 15.0% to 3.63 million bags.
- Exports of the Colombian Milds increased by 7.9% to 1.12 million bags in December 2023 from 1.04 million bags in December 2022.
- Green bean exports of the Robustas amounted to 4.66 million bags in December 2023, as compared with 4.24 million bags in December 2022, increasing by 9.8%.
- In December 2023, South America's exports of all forms of coffee increased by 25.4% to 5.72 million bags.
- Exports of all forms of coffee from Africa decreased by 0.5% to 0.94 million bags in December 2023 from 0.935 million bags in December 2022.
- In December 2023, exports of all forms of coffee from Mexico & Central America were up 6.0% to 0.63 million bags, as compared with 0.6 million in December 2022.
- Exports of all forms of coffee from Asia & Oceania increased by 5.7% to 4.88 million bags in December 2023.
- Total exports of soluble coffee increased by 25.7% in December 2023 to 1.24 million bags from 0.99 million bags in December 2022.
- Soluble coffee's share in the total exports of all forms of coffee for the year to date was 9.3% in December 2023, up from 9.2% in the same period a year ago.
- Exports of roasted beans were down 15.0% in December 2023 to 54,560 bags, as compared with 64,204 bags in December 2022.
- World coffee production increased by 0.1% to 168.2 million bags in coffee year 2022/23, and is anticipated to increase by 5.8% to 178.0 million bags in coffee year 2023/24.
- World coffee consumption is continuing to resolve through the issues brought about by the COVID-19 pandemic. It was expected to increase by a small positive growth rate in coffee year 2022/23, but actually recorded a decrease of 2.0% to 173.1 million bags. However, a rebound is predicted for coffee year 2023/24, with consumption set to increase by 2.2% to 177.0 million bags
- As a result, the world coffee market is expected to run a surplus of 1.0 million bags in coffee year 2023/24.

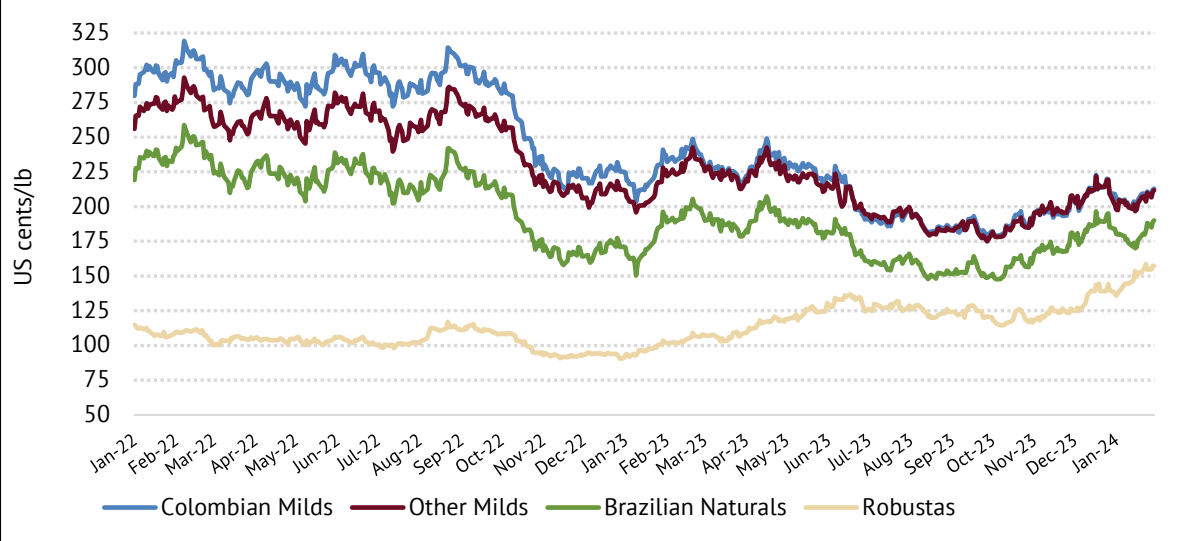
Green Coffee Price

The ICO Composite Indicator Price (I-CIP) averaged 176.41 US cents/lb in January, a 0.4% increase from December 2023. The I-CIP posted a median value of 173.90 US cents/lb, having fluctuated between 171.08 and 185.54 US cents/lb. The January 2024 I-CIP is above the January 2023 I-CIP by 12.4%, with the 12-month rolling average at 166.85 US cents/lb. **The I-CIP grew steadily in January 2024, reaching a ten-month high.** Importantly, the Robustas have reached their highest level since November 1994 when they averaged 153.33 US cents/lb.



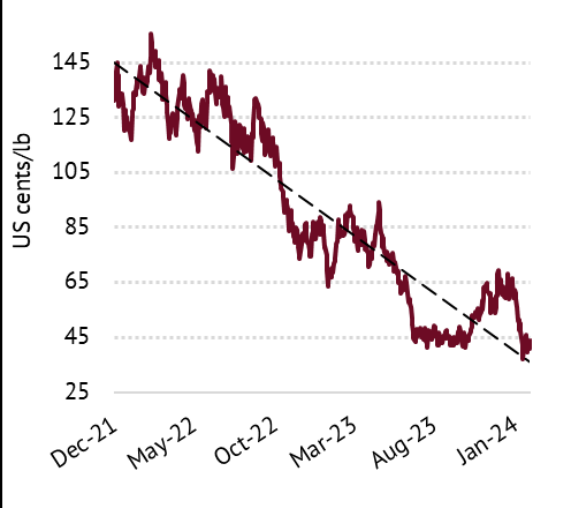
The Colombian Milds and Other Milds decreased by 2.4% and 3.5%, to 205.62 and 203.30 US cents/lb, respectively, in January 2024. The Brazilian Naturals presented a decline of 3.2%, reaching an average of 179.32 US cents/lb. However, the **Robustas grew the most by 9.6% to 148.47 US cents/lb, the highest level in almost 30 years.** The Robustas price is being driven by continued concerns over the supply situation, especially in Indonesia and Vietnam, supported by record-low ICE inventories. In Vietnam, local coffee traders are withholding their green beans on the expectation of even higher prices, thus providing additional support and exacerbating the already-tight supply conditions in the origin. ICE's London market was also a strong driver of the growth, having increased by 9.6% to 135.84 US cents/lb, whilst the New York Futures market contracted by 1.9% to 183.06 US cents/lb.

Figure 2: ICO Group Indicator Daily Prices



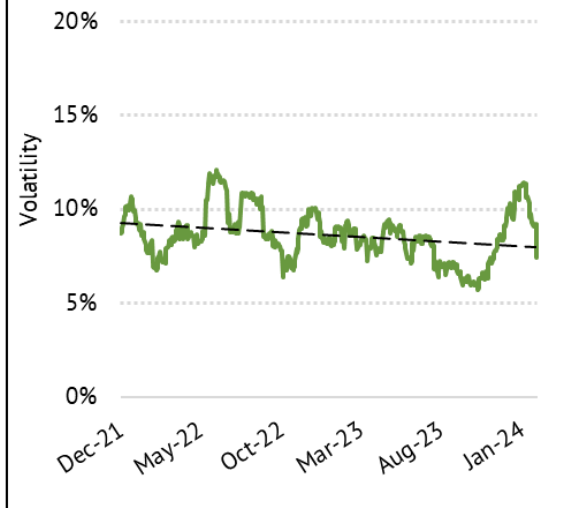
The Colombian Milds–Other Milds differential grew from –0.08 to 2.32 US cents/lb. The Colombian Milds–Brazilian Naturals differential expanded 3.3% to 26.29 US cents/lb, whilst the Colombian Milds–Robustas differential shrank 24.0% from December 2023 to January 2024, averaging 57.15 US cents/lb. Meanwhile, the Other Milds–Brazilian Naturals differential contracted 6.1% reaching 23.98 US cents/lb. However, the Other Milds–Robustas and the Brazilian Naturals–Robustas differentials both retracted 27.2% and 38.0%, averaging 54.83 and 30.85 US cents/lb, respectively, in January 2024.

Figure 3: Arbitrage between New York and London Futures markets



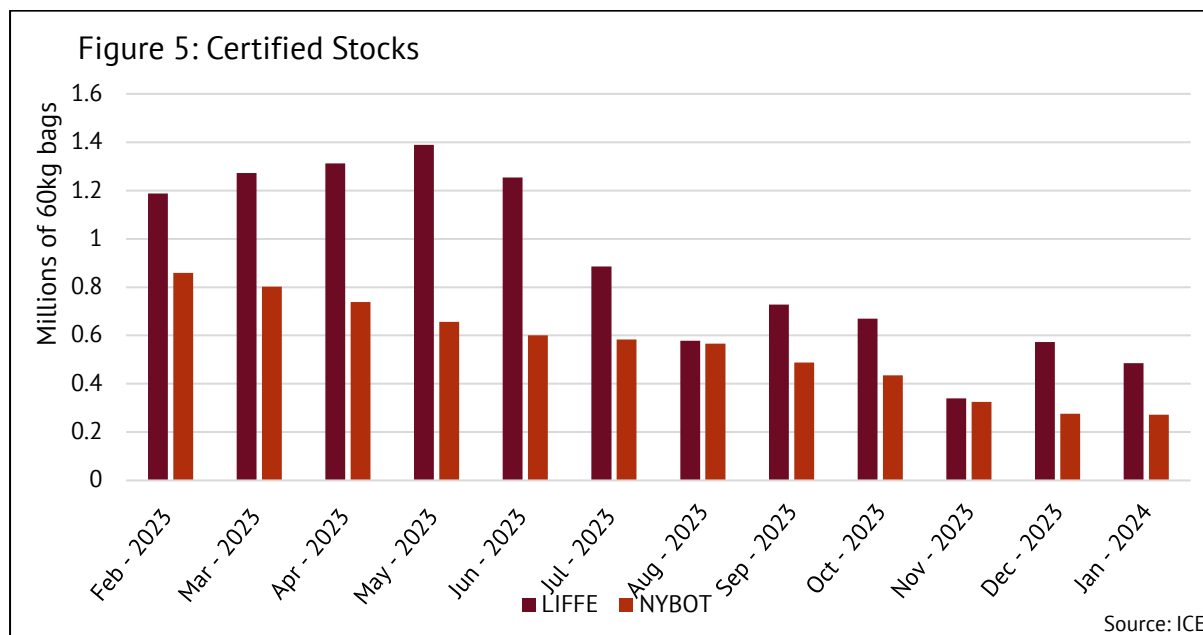
Arbitrage, as measured between the London and New York Futures markets, retracted by 24.8% to 47.22 US cents/lb in January 2024.

Figure 4: Rolling 30-day volatility of the I-CIP



Intra-day volatility of the I-CIP remained stable at 10.1% between December 2023 and January 2024. The Colombian Milds’ and Other Milds’ volatility increased to 10.9% and 11.9%, respectively. Meanwhile, the Brazilian Naturals’ volatility declined by 0.4 percentage points to 12.2% from

December 2023 to January 2024. The Robustas presented an average volatility of 9.9% for the month of January. The London Futures market's volatility increased by 1.4 percentage points to 11.4%. Lastly, the New York futures market's volatility moved in opposite direction to that of London, reaching 13.0%.



The New York certified stocks continued on their downward trajectory, retracting by 1.5% to 0.27 million 60-kg bags, one of the lowest figures ever recorded. Certified stocks of Robusta coffee reached 0.48 million 60-kg bags, a 15.4% decrease since December 2023.

Exports by Coffee Groups – Green Beans

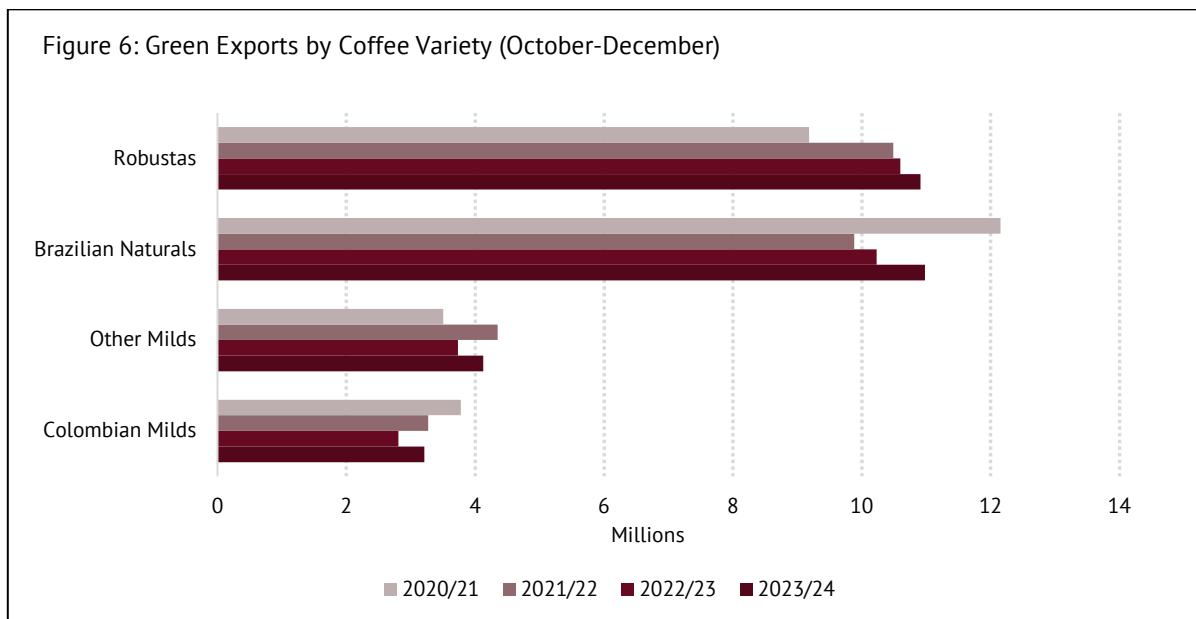
Global green bean exports in December 2023 totalled 10.87 million bags, as compared with 9.66 million bags in the same month of the previous year, up 12.6%. These are the largest December exports on record, beating the previous record set in 2021 of 10.79 million bags. Despite this, the magnitude of the latest increase in exports of green beans is a more reflection of a favourable base effect and a comparative normalization of supply conditions than a reflection of fundamental demand. As a result, the cumulative total for coffee year 2023/24 to December is 29.23 million bags, as compared with 27.37 million bags over the same period a year ago, up 6.8%.

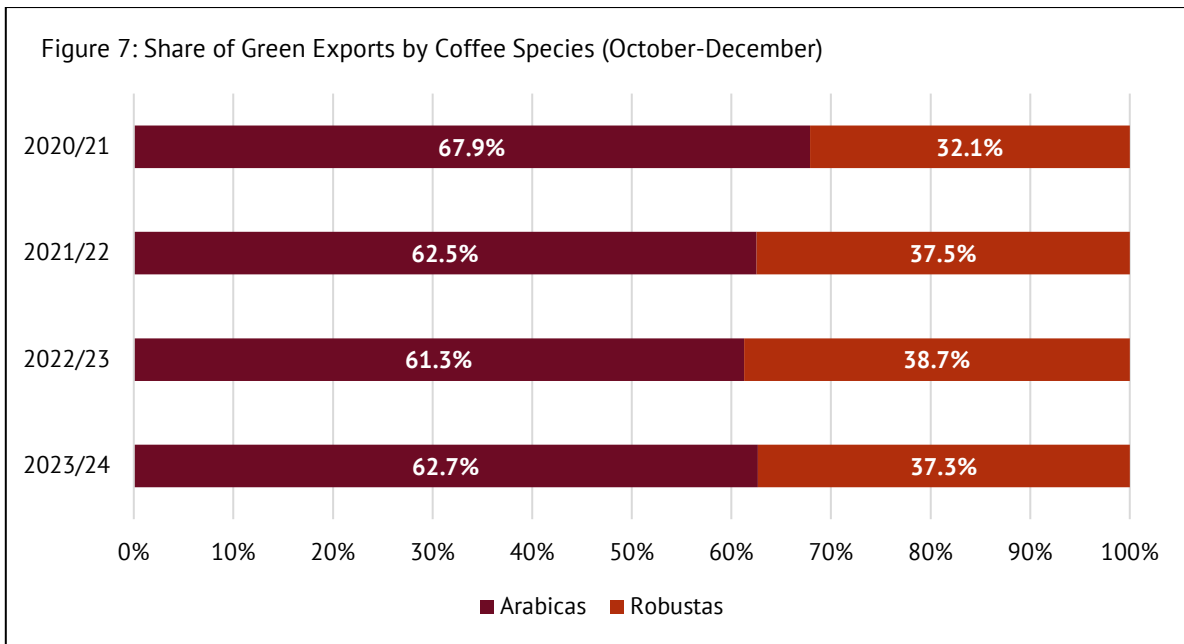
Shipments of the Other Milds increased by 19.9% in December 2023 to 1.46 million bags from 1.22 million bags in the same period last year. Peru and Mexico were the main drivers of the double-digit growth of this group of coffee, with the origins' exports of the Other Milds increasing by 48.3% and 75.0%, respectively, in December 2023. The resurgence of Peru's exports of the Other Milds is due to the return to normality of local production conditions in coffee year 2023/24 as compared with those seen in coffee year 2022/23, while that of Mexico is a reflection of a favourable base effect. As a result, the cumulative volume of total exports of the Other Milds also increased, rising by 10.5% in the first three months of coffee year 2023/24 to 4.12 million bags, versus 3.73 million bags over the same period in 2022/23.

Green bean exports of the Brazilian Naturals increased in December 2023, rising by 15.0% to 3.63 million bags. For the first three months of coffee year 2023/24, green bean exports of the Brazilian Naturals amounted to 10.98 million bags, up 7.4% from 10.23 million bags over the same period a year ago. The sharp positive growth rate is a reflection of the 19.3% increase in exports of the Brazilian Naturals from Brazil, the biggest producer and exporter of this group of coffee, which rose to 3.22 million bags in December 2023 from 2.7 million bags December 2022.

Exports of the Colombian Milds increased by 7.9% to 1.12 million bags in December 2023 from 1.04 million bags in December 2022. As a result, exports of the Colombian Milds for the first three months of coffee year 2023/24 are up 14.3% at 3.21 million bags, as compared with 2.81 million bags in the first three months of coffee year 2022/23.

Green bean exports of the Robustas amounted to 4.66 million bags in December 2023, as compared with 4.24 million bags in December 2022, 9.8%. It is the largest December exports on record, beating the previous record set in 2022 at 4.24 million bags. However, the 8.8% decrease at the very beginning of coffee year 2023/24 continues to negatively impact the exports of the Robustas and, as a result, the cumulative total for the first three months of coffee year 2023/24 is up only 2.9%, at 10.91 million bags, as compared with 10.6 million bags in the first three months of coffee year 2022/23. The main driver of December's Robustas increase was Brazil, shipping 0.53 million bags, a jump of 806.2%.





Exports by Regions – All Forms of Coffee

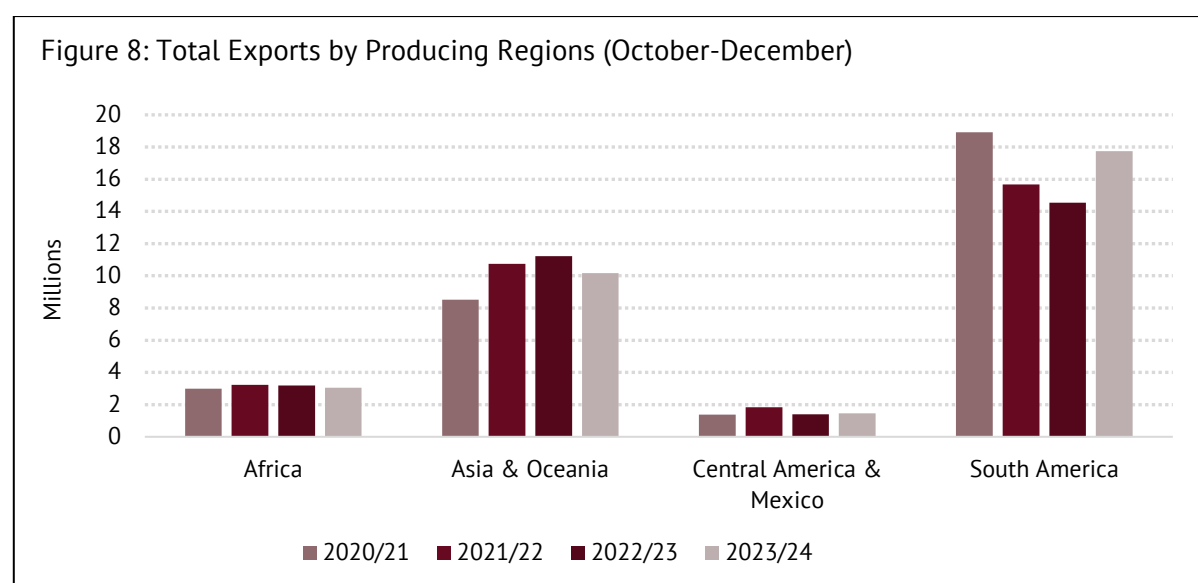
In December 2023, South America’s exports of all forms of coffee increased by 25.4% to 5.72 million bags. The sources of the strong positive growth are Brazil and Peru, which saw their exports increase by 31.7% and 48.3%, respectively, in December 2023. For Brazil, a favourable base effect, the –20.5% growth rate observed in December 2022, and the continued supply issues in Asia & Oceania are the main drivers for the double-digit growth, especially with respect to the Robustas, for which the country has been acting as a swing-producer in recent months. In Peru, a return to normality of both weather and social conditions is the underlying cause of its strong positive expansion. In December 2022, exports were negatively marked by weather-driven elongation of the harvesting period and intermittent rains which hampered the drying process, reducing the supply of coffee beans for coffee year 2022/23. Meanwhile, a series of political protests against the government of President Dina Boluarte and the Congress of Peru led to logistical issues. These events led the December 2022 export levels to fall by 41.5%, resulting in the lowest December level since 2015.

Exports of all forms of coffee from Africa decreased by 0.5% to 0.94 million bags in December 2023 from 0.935 million bags in December 2022. For the first three months of coffee year 2023/24, exports totalled 3.05 million bags as compared with 3.18 million bags in coffee year 2022/23, down 4.2%. The relatively shallow downturn of the region belies the dynamic performances of the major origins, with exports from Côte d’Ivoire, Kenya and Tanzania increasing by 52.0%, 40.8% and 56.6%, respectively. Meanwhile, the biggest exporter in Africa, Uganda, saw its exports volume fall by 4.2%.

In December 2023, exports of all forms of coffee from Mexico & Central America were up 6.0% to 0.63 million bags, as compared with 0.6 million in December 2022. As a result, total exports are up 3.6% for October to December 2023 at 1.46 million bags, as compared with 1.41 million bags for the same period a year ago. Guatemala, Honduras and Mexico are the three main origins behind the region’s positive growth, with their respective exports up 30.9%, 8.6% and 31.2%. However, lined up against this were 37.7%, 61.2% and 14.4% decreases for Costa Rica, El Salvador

and Nicaragua, respectively, hence the region’s overall relatively weak positive growth rate in December 2023.

Exports of all forms of coffee from Asia & Oceania increased by 5.7% to 4.88 million bags in December 2023. All three of the region’s major origins contributed to the overall expansion, with Indonesia, India and Vietnam’s exports increasing by 8.5%, 3.9% and 4.8%, respectively. For Indonesia, December 2023 was the first positive growth since August 2023, coming in the face of the origin’s well-documented issues with supply. The harvest for coffee year 2023/24 is estimated to have fallen by 16.6% to 10.0 million bags from 11.98 million bags in coffee year 2022/23 on the back of excessive rains that damaged cherries in April–May 2023. The relatively strong growth rate was due to soluble coffee, exports of which grew by over 12 folds to 0.48 million bags in December 2023 from 0.04 million bags in December 2022.

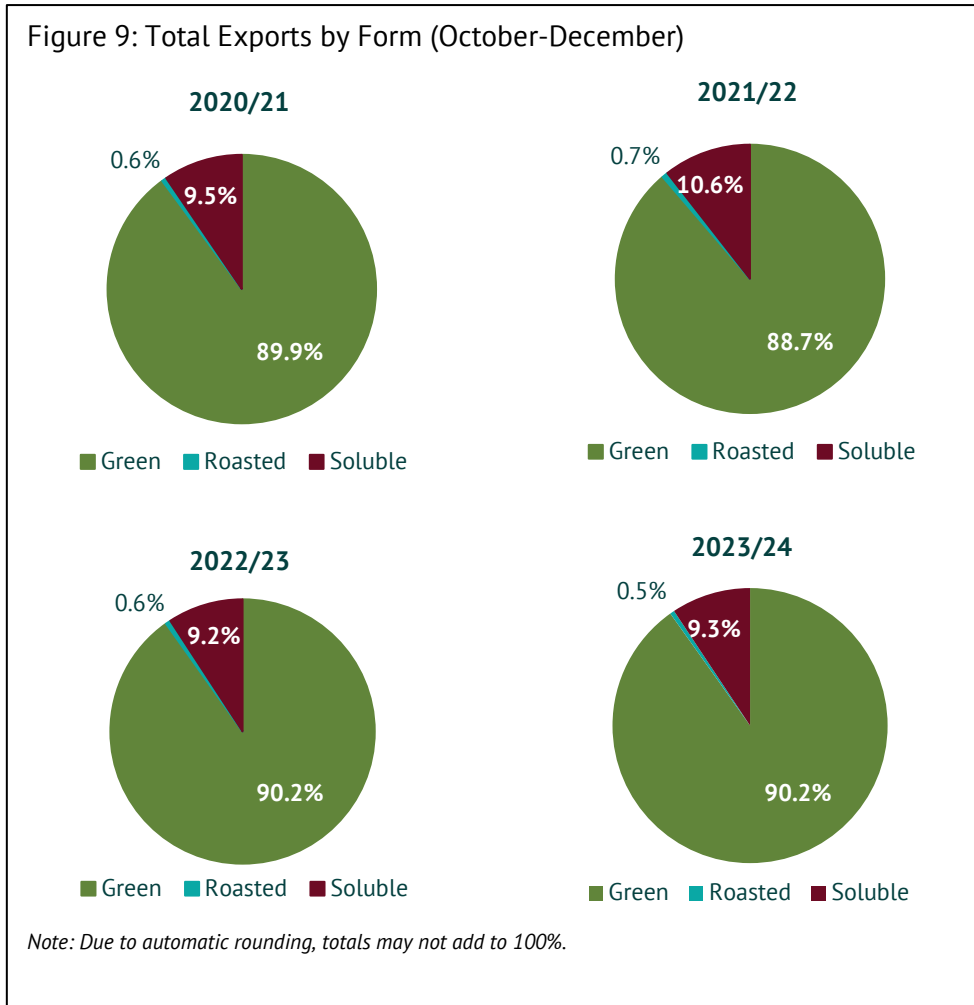


Exports of Coffee by Forms

Total exports of soluble coffee increased by 25.7% in December 2023 to 1.24 million bags from 0.99 million bags in December 2022. In the first three months of coffee year 2023/24, a total of 3.02 million bags of soluble coffee were exported, representing an increase of 8.2% from the 2.78 million bags exported in the same period during the previous coffee year.

Soluble coffee’s share in the total exports of all forms of coffee for the year to date was 9.3% in December 2023, up from 9.2% in the same period a year ago. Brazil is the largest exporter of soluble coffee, having shipped 0.35 million bags in December 2023.

Exports of roasted beans were down 15.0% in December 2023 to 54,560 bags, as compared with 64,204 bags in December 2022. The cumulative total for coffee year 2023/24 to December 2023 was 0.17 million bags, as compared with 0.19 million bags in same period a year ago.



Production and Consumption

World coffee production increased by 0.1% to 168.2 million bags in coffee year 2022/23. The stagnant growth rate belies the tremendous changes at the regional level, with the coffee world neatly split between the expanding Americas and the shrinking rest of the world.

Asia & Oceania and Africa's 4.7% and 7.2% decreases in production to 49.84 million bags and 17.9 million bags, respectively, can be attributed to adverse weather conditions negatively affecting key producers in the regions, particularly Vietnam, Côte d'Ivoire and Uganda. The magnitude of the fall in outputs of the two regions was entirely mitigated by the Americas, especially by South America's 4.8% increase, which in turn was driven mainly by the biennial production-affected 8.4% increase in Brazil. The combined output of the Americas was 100.5 million bags.

The Americas versus the rest of the world split was also reflected in the production split between the Arabicas and Robustas, with the former's output increasing by 1.8% to 94.0 million bags as compared with the 2.0% decrease of the latter to 74.2 million bags.

Looking ahead, the output for coffee year 2023/24 is expected to increase by 5.8% to 178.0 million bags, with the Arabicas' output rising to 102.2 million bags and the Robustas' increasing to 75.8 million bags.

The biennial production effect will play a large role in the outlook, especially for Brazil and the Arabicas, as the impact of the July 2021 frost continues to be resolved. Coffee year 2023/24 is anticipated to be an exceptional off-biennial year, feeling more like a good on-biennial following an average on-biennial year. Adverse weather conditions, first noted in 2022 and continuing into 2023, will have a negative impact on the outlook for coffee year 2023/24. The anticipated El Niño phenomenon is set to dampen the outlook in Asia, especially for origins like Indonesia. Meanwhile, Vietnam is expected to benefit from the drier/hotter weather as irrigation mitigates the reduced precipitation.

The world coffee consumption is continuing to resolve through the issues brought about by the COVID-19 pandemic, with the consumption trend following an established pattern in response to an external shock. The expectation for coffee year 2022/23 was for a smaller positive growth rate; however, world coffee consumption actually recorded a decrease of 2.0% to 173.1 million bags.

Consumption in coffee year 2022/23 did not faithfully follow the established pattern due to the impact of the high cost of living, falling disposable incomes and a long stocks drawdown. Despite coffee being relatively inelastic, the challenging global economic environment would have had a negative impact on its consumption. The world inflation rate was at its highest in 2021 at 9.4%, while the benchmark interest rate averaged 4.9% at the end of September 2023 in the European Union, UK and USA, the highest level since an average of 5.8% in 2000. At the same time, there was a large drawdown of stocks, where combined stocks reported by the European Coffee Federation (ECF) and those held at the Intercontinental Exchange's warehouses in the USA fell by 4.8 million bags from 14.5 million to 9.8 million. This drawdown would have reduced the need for purchases on the international market, seemingly reflected as lower and anomalous global consumption rates for coffee year 2022/23.

The world coffee consumption outlook for coffee year 2023/24 is broadly framed by the assumption that the global economy will continue to grow at above 3.0% (October 2023 World Economic Outlook), and that the industry will respond to the large drawdown of stocks, which will be positively reflected in apparent consumption. As a result, world coffee consumption is expected to grow by 2.2% to 177.0 million bags, with non-producing countries making the biggest contribution to the overall increase. Coffee consumption in this group of countries should expand by 2.1%.

Balance. As a result, the world coffee market is expected to run a surplus of 1.0 million bags in coffee year 2023/24.

The outlook is taken from the newest publication of the Statistics Section of the Secretariat of the International Coffee Organization (ICO), the Coffee Report and Outlook (CRO). The CRO offers an insight into the factors moving the global coffee industry in the most recent past and draws out the potential events that drive the industry in the near future. The CRO can be downloaded from the ICO website: www.icocoffee.org. For further information, please contact the Statistics Section at stats@ico.org

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

	ICO Composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York*	London*
Monthly averages							
Jan-23	156.95	218.91	206.76	170.03	95.98	159.80	85.82
Feb-23	174.77	238.39	229.73	195.18	103.93	180.93	94.26
Mar-23	170.03	225.23	222.36	187.02	106.49	176.17	96.60
Apr-23	178.57	234.85	229.56	195.26	115.70	187.30	105.43
May-23	175.48	226.93	220.12	186.80	122.55	183.13	112.56
Jun-23	171.25	211.85	207.39	176.48	132.13	174.54	119.23
Jul-23	158.88	190.58	193.49	159.50	127.58	159.57	113.62
Aug-23	154.53	187.55	186.73	154.66	124.62	156.56	111.34
Sep-23	153.13	184.98	183.52	154.19	123.89	153.55	109.14
Oct-23	151.94	185.97	183.95	155.52	118.83	155.91	105.40
Nov-23	161.53	195.85	197.18	169.25	122.63	170.25	110.45
Dec-23	175.73	210.68	210.76	185.23	135.47	186.67	123.91
Jan-24	176.41	205.62	203.30	179.32	148.47	183.06	135.84
% change between Dec-23 and Jan-24							
	0.4%	-2.4%	-3.5%	-3.2%	9.6%	-1.9%	9.6%
Volatility (%)							
Dec-23	10.2%	10.8%	10.9%	12.6%	9.2%	13.2%	10.0%
Jan-24	10.1%	10.9%	11.9%	12.2%	9.9%	13.0%	11.4%
Variation between Dec-23 and Jan-24							
	-0.1	0.1	1.0	-0.4	0.7	-0.2	1.4

* 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*
Oct-22	21.87	69.68	158.94	47.82	137.07	89.25	99.56
Nov-22	9.37	56.68	130.63	47.31	121.26	73.95	82.13
Dec-22	13.88	55.12	130.36	41.24	116.48	75.24	82.26
Jan-23	12.15	48.88	122.93	36.73	110.78	74.05	73.97
Feb-23	8.66	43.21	134.46	34.55	125.80	91.25	86.67
Mar-23	2.87	38.21	118.74	35.34	115.87	80.53	79.57
Apr-23	5.30	39.60	119.15	34.30	113.86	79.56	81.88
May-23	6.81	40.13	104.38	33.32	97.57	64.25	70.57
Jun-23	4.46	35.36	79.72	30.90	75.26	44.36	55.31
Jul-23	-2.91	31.09	63.00	34.00	65.91	31.92	45.95
Aug-23	0.82	32.89	62.93	32.07	62.11	30.04	45.23
Sep-23	1.46	30.79	61.09	29.33	59.63	30.30	44.41
Oct-23	2.02	30.45	67.14	28.43	65.12	36.69	50.51
Nov-23	-1.33	26.60	73.22	27.93	74.55	46.62	59.81
Dec-23	-0.08	25.45	75.21	25.53	75.29	49.76	62.77
Jan-24	2.32	26.29	57.15	23.98	54.83	30.85	47.22
% change between Dec-23 and Jan-24							
	-2992.5%	3.3%	-24.0%	-6.1%	-27.2%	-38.0%	-24.8%

* Average prices for 2nd and 3rd positions

Table 3: World Supply/Demand Balance

Coffee Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24*	% change
PRODUCTION	169.8	168.4	170.8	168.0	168.2	178.0	5.8%
Arabica	99.5	96.4	100.6	92.3	94.0	102.2	8.8%
Robusta	70.3	72.0	70.3	75.7	74.2	75.8	2.1%
Africa	18.5	18.5	19.2	19.3	17.9	20.1	12.1%
Caribbean, Central America & Mexico	21.3	19.2	19.7	18.9	19.2	18.7	-2.5%
South America	81.9	81.1	83.9	77.6	81.3	89.3	9.8%
Asia & Oceania	48.1	49.6	48.0	52.2	49.8	49.9	0.3%
CONSUMPTION	171.2	168.6	169.9	176.6	173.1	177.0	2.2%
Exporting Countries	52.5	52.2	53.1	54.4	55.1	56.5	2.6%
Importing Countries (Coffee Year)	118.6	116.4	116.8	122.2	118.1	120.5	2.1%
Africa	11.9	12.1	13.0	12.9	12.2	12.5	2.6%
Asia & Oceania	39.9	40.1	42.2	44.2	44.5	45.7	2.7%
Caribbean, Central America & Mexico	5.8	5.8	5.9	6.0	6.0	6.1	2.3%
North America	31.8	30.6	30.2	31.3	29.8	30.9	3.8%
South America	26.3	26.0	26.4	27.0	27.5	28.0	1.6%
Europe	55.5	54.0	52.2	55.2	53.1	53.7	1.1%
BALANCE	-1.3	-0.2	0.9	-8.6	-4.9	1.0	

*preliminary estimates

Table 4: Total exports by exporting countries

	Dec-22	Dec-23	% change	Year to Date Coffee Year		
				2022/23	2023/24	% change
TOTAL	10,708	12,168	13.6%	30,348	32,418	6.8%
Arabicas	5,934	6,885	16.0%	18,359	20,023	9.1%
<i>Colombian Milds</i>	1,131	1,197	5.9%	3,121	3,427	9.8%
<i>Other Milds</i>	1,452	1,638	12.8%	4,428	4,745	7.2%
<i>Brazilian Naturals</i>	3,351	4,050	20.8%	10,810	11,851	9.6%
Robustas	4,775	5,284	10.7%	11,989	12,395	3.4%

In thousand 60-kg bags

Monthly trade statistics are available upon subscription

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

	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
New York	0.86	0.80	0.74	0.66	0.60	0.58	0.57	0.49	0.44	0.32	0.28	0.27
London	1.19	1.27	1.31	1.39	1.25	0.89	0.58	0.73	0.67	0.34	0.57	0.48

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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