

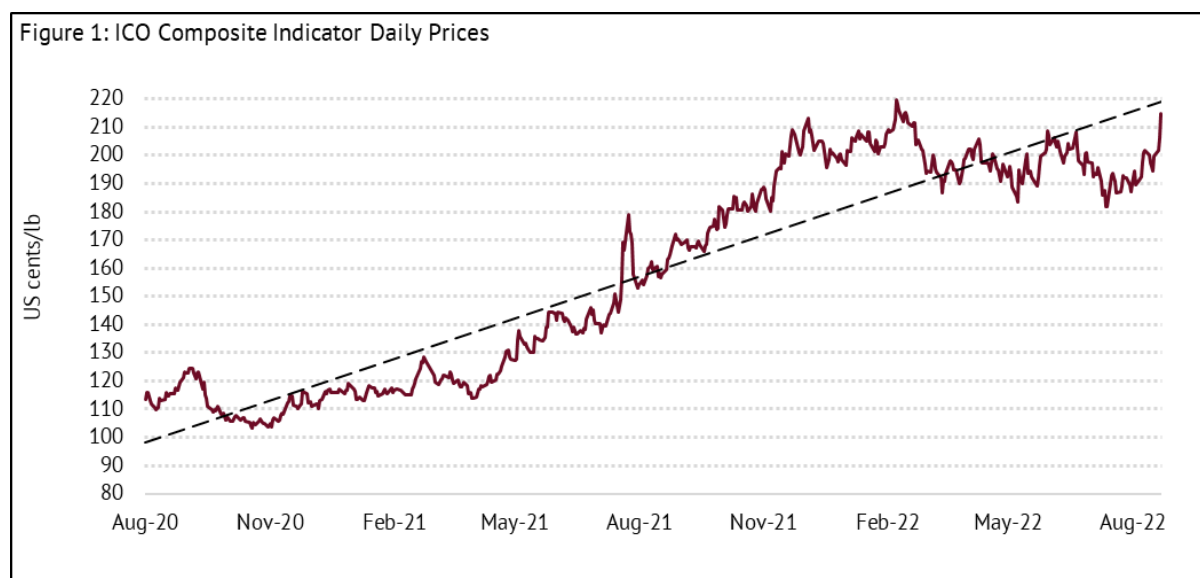


Low Arabica Certified Stocks and high volatility add pressure on the I-CIP, closing August at 208.37 US cents/lb

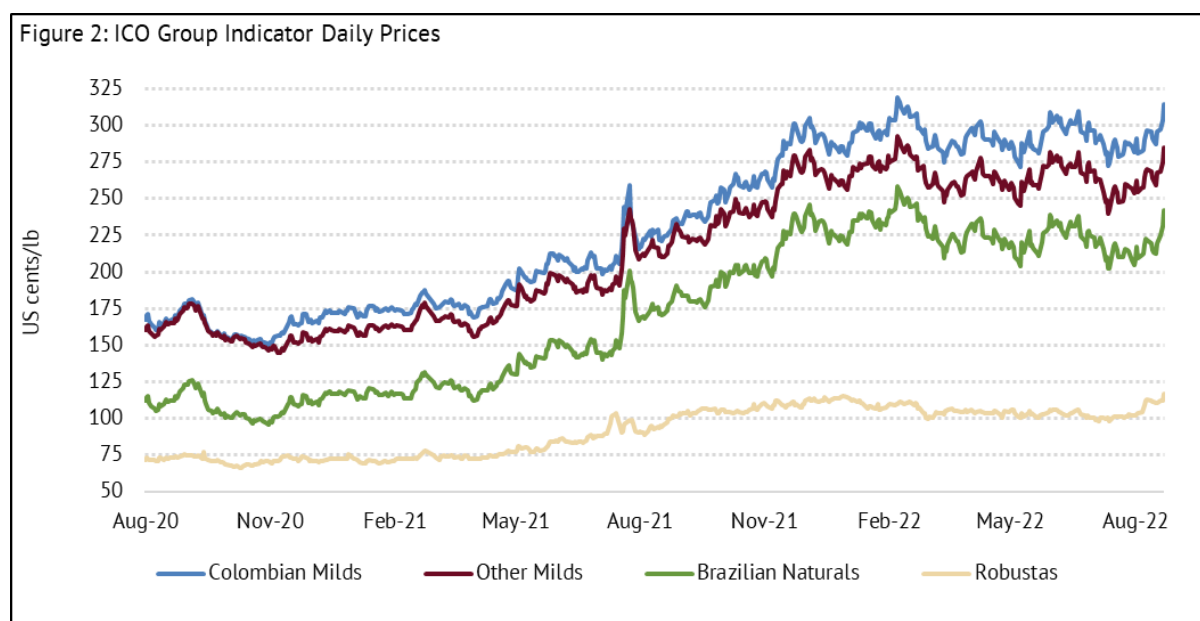
- *The ICO Composite Indicator Price (I-CIP) gained 4.9% from July to August 2022, averaging 200.11 US cents/lb for the latter whilst posting a median value of 199.66 US cents/lb.*
- *Average prices for all groups indicators were up in August. The Robustas gained the most, up 9.2% from July to August 2022, increasing to an average of 109.65 US cents/lb for the month.*
- *The Colombian Milds-Other Milds differential took the hardest hit from July to August 2022, retracting 9.7% from 30.16 to 27.23 US cents/lb as growth of the latter outpaced the former.*
- *The arbitrage between New York and London Futures markets shrunk by 1.2%, falling to 119.79 US Cents/lb in August 2022 from 121.24 US cents/lb in July 2022.*
- *Intra-day volatility of the I-CIP increased 0.2 percentage points between July and August 2022, reaching 10.3%.*
- *The New York certified stocks decreased 6.5% from the previous month, closing in at 0.72 million bags, the lowest in over 20 years whilst certified stocks of Robusta coffee reached 1.61 million bags, representing a decrease of 10.9%.*
- *Global exports of green beans in July 2022 totalled 9.04 million bags, compared with 9.91 million bags in the same month of the previous year, down 8.8%.*
- *For coffee year 2021/22 -October 2021 to July 2022- exports of all forms of coffee:*
 - *from South America decreased by 8.5% to 42.24 million bags.*
 - *from Asia & Oceania increased by 4.0% to 3.19 million bags in July 2022, and by 16.0% to 37.6 million bags in the first 10 months of coffee year 2021/22.*
 - *from Africa decreased by 13.1% to 1.41 million bags in July 2022 from 1.62 million bags in July 2021.*
 - *from Mexico & Central America were down 16.2% to 1.54 million bags as compared with 1.83 million in July 2021.*
- *Total exports of soluble coffee increased by 18.5% in July 2022 to 1.01 million bags from 0.85 million bags in July 2021.*
- *The latest provisional outlook for production in coffee year 2021/22 remains unchanged at 167.2 million 60-kg bags, down 2.1% 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 bags in 2021/22 as compared to 164.9 million for coffee year 2020/21.*

Green Coffee Price

The ICO Composite Indicator Price (I-CIP) gained 4.9% from July to August 2022, averaging 200.11 US cents/lb for the latter, whilst posting a median value of 199.66 US cents/lb. In August 2022, the I-CIP fluctuated in between 187.26 and 214.72 US cents/lb.

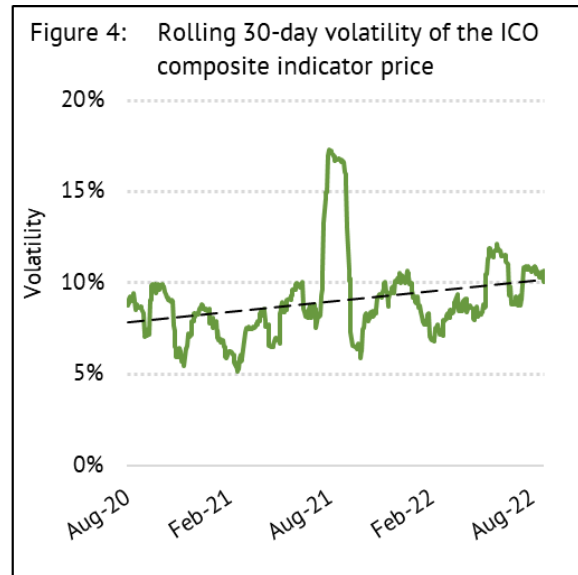
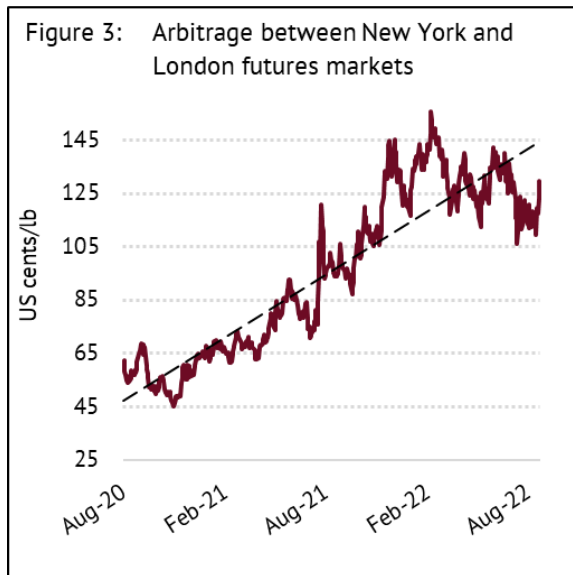


Average prices for all groups indicators increased in August 2022. The Robustas gained the most, expanding 9.2% from July to August 2022, raising to an average of 109.65 US cents/lb for the month. The Colombian Milds and Other Milds, increased by 3.4% and 4.9% respectively, month-on-month in August. The former averaged 295.66 US cents/lb in August 2022, whilst the latter averaged 268.43 US cents/lb. The upturns are in part due to the average 2nd and 3rd positions of the ICE New York futures market, which gained by 3.7% in August 2022 over July 2022. The average of the 2nd and 3rd positions of the ICE Futures Europe for Robustas grew substantially by 10.2%.



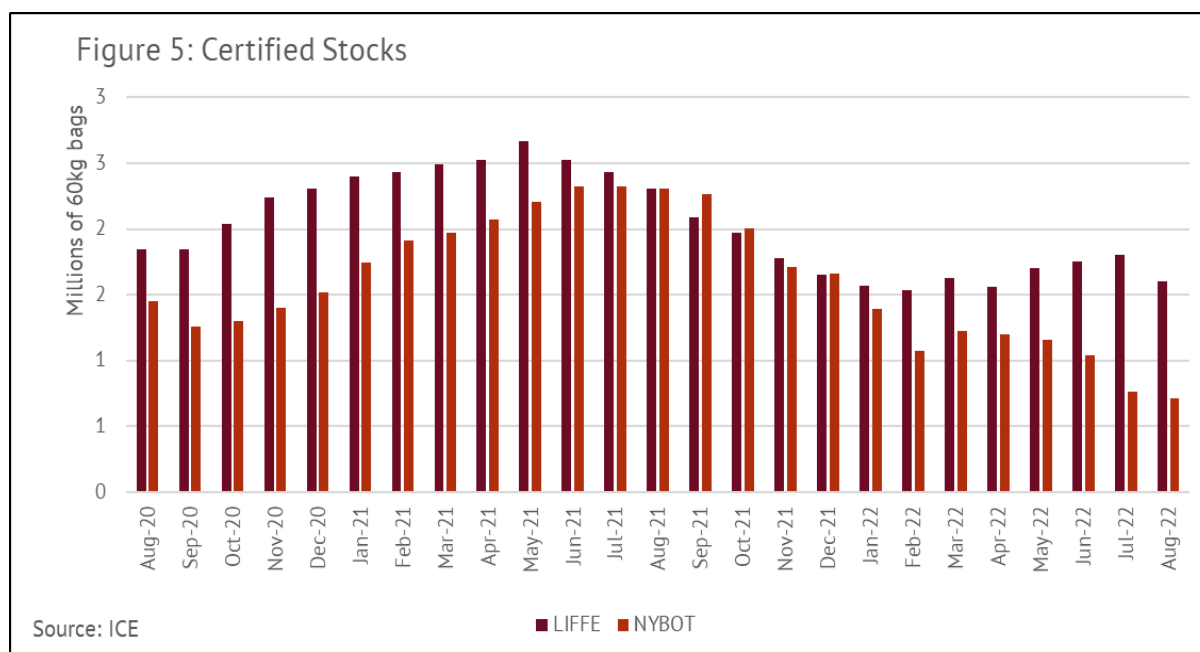
The Colombian Milds Other Milds differential took the hardest hit from July to August 2022, retracting 9.7% from 30.16 to 27.23 US cents/lb as growth of the Other Milds outpaced the Colombian Milds. Strong Other Milds growth can also be evaluated in the Other Milds Robustas differential as it gained 13.2%, up from 41.10 to 46.52 US cents/lb. The Colombian Milds Brazilian Naturals continued its upwards trajectory of the past year, as the differential increased by 3.5% from 71.27 to 73.75 US cents/lb from July to August 2022. Despite the Robustas indicator price presenting strong growth, the Colombian Milds Robustas differential gained 0.2%, ranging from 185.63 to 186.01 US cents/lb for the aforementioned period. Echoing strong growth of the Robustas group indicator, the Other Milds Robustas differential increased by 2.1% reaching 158.78 US cents/lb in August 2022 from 155.46 US cents/lb in the previous month. The Robustas group indicator did however manage to close the differential with the Brazilian Naturals by 1.8%, where it retracted from 114.36 to 112.36 US cents/lb from July to August 2022.

The arbitrage between New York and London Futures markets shrunk by 1.2%, falling to 119.79 US Cents/lb in August 2022 from 121.24 US cents/lb in July 2022.



Intra-day volatility of the I-CIP increased 0.2 percentage points between July and August 2022, reaching 10.3%. Robustas and the London futures market presented the lowest volatility amongst all group indicators, at 6.6% and 7.1% in August 2022. The Brazilian Naturals volatility, was the highest amongst the group indicators, averaging 13.3%, a 1.0 percentage point increase from the previous month. The variation in volatility of the Colombian Milds and Other Milds for July to August 2022 is 0.4 to 10.0% and 0.6 to 11.4%, respectively, and there was significant volatility of the New York futures market, posting an increase of 1.1 percentage points, averaging 14.6% for the month of August 2022.

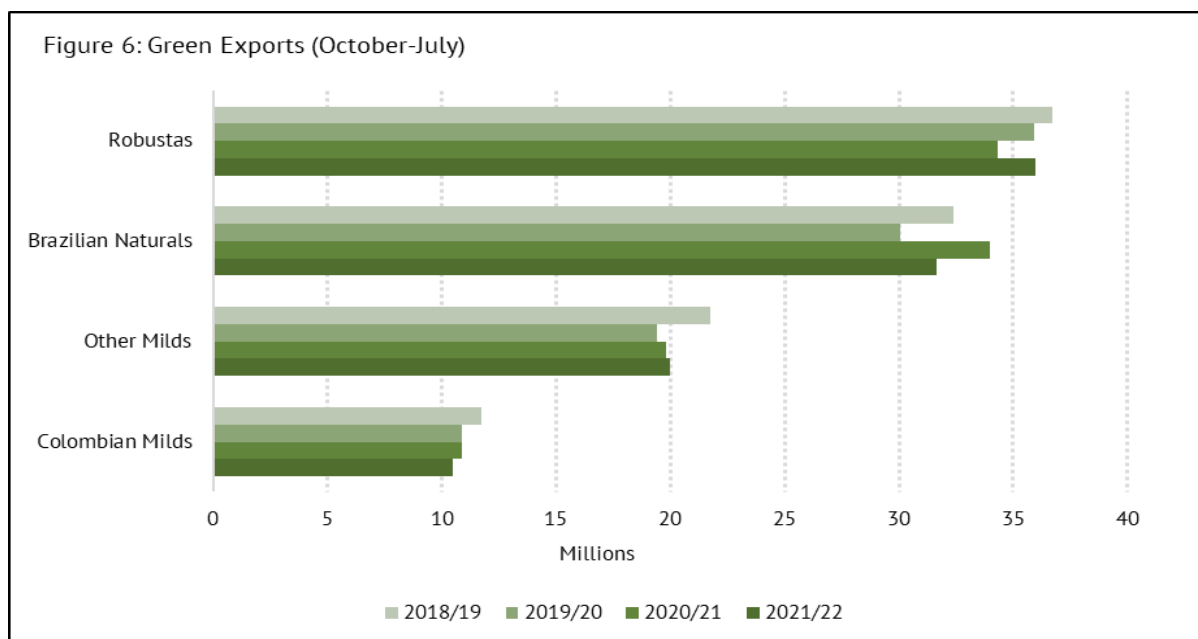
The New York certified stocks decreased 6.5% from the previous month, closing in at 0.72 million bags, the lowest in over 20 years, whilst certified stocks of Robusta coffee reached 1.61 million bags, representing a decrease of 10.9%.



Export by Coffee Groups

Global exports of green beans in July 2022 totalled 9.04 million bags, compared with 9.91 million bags in the same month of the previous year, down 8.8%. The slump was spread across all four groups of coffee, with the Colombian Milds recording the biggest drop, falling by 12.5% year-on-year. The double-digit decrease in July pushed the cumulative total exports of green beans for coffee year 2021/22 into red, down 0.8% as compared to 0.1% increase for the first nine months of the current coffee year. The cumulative total for 2021/22 to July is 98.08 million bags as compared with 98.97 million bags over the same period a year ago.

Exports of the Colombian Milds decreased by 12.5% to 1.02 million bags in July 2022 from 1.17 million bags in July 2021, driven primarily by Colombia, the main origin of this group of coffee, whose exports of green beans were down 15.7% in July 2022. As a result of the relatively sharp downturn, exports of the Colombian Milds in October 2021–July 2022 were down by 3.7% at 10.48 million bags, as compared with 10.88 million bags in the first 10 months of coffee year 2020/21. Colombia exported 0.929 million bags of green beans in July 2022, the lowest since 0.928 million bags were shipped in July 2017. In the previous two Reports, the monthly movements of exports from Colombia, up an average 108.9% in May–June 2022, were explained as being technical, reflecting the dramatic changes of the previous year, down an average 43.3% over May–June 2021. However, for July 2022, the sharp fall in exports is linked to the sharper drop in production, which had fallen by 22% in the same month.



The recovery of the Brazilian Naturals, first seen in May and continuing into June, was broken in July, with exports falling by 6.7% at 2.57 million bags as compared with 2.75 million bags in July 2021. This reversal of fortune was driven by Brazil, the biggest producer and exporter of the Brazilian Naturals, with logistical bottlenecks and harvesting delays impacting July exports. For the first 10 months of coffee year 2021/22, exports of the Brazilian Naturals stood at 31.68 million bags, down 6.8% from 34.0 million bags over the same period a year ago.

Shipments of the Other Milds decreased by 9.9% in July to 2.23 million bags from 2.47 million bags in the same period last year. As a result, the cumulative volume of exports continued to increase but at a declining rate, falling to 0.9% in the first 10 months of coffee year 2021/22 (19.99 million bags vs 19.8 million bags) from 2.5% in the first nine months of the same coffee year. Exports of Robustas totalled 3.23 million bags in July 2022, as compared with 3.52 million bags in July 2021, down 8.4%. Exports of green beans for the first 10 months of the current and previous coffee years for Robustas were 35.95 million bags and 34.29 million bags, respectively, up 4.8%.

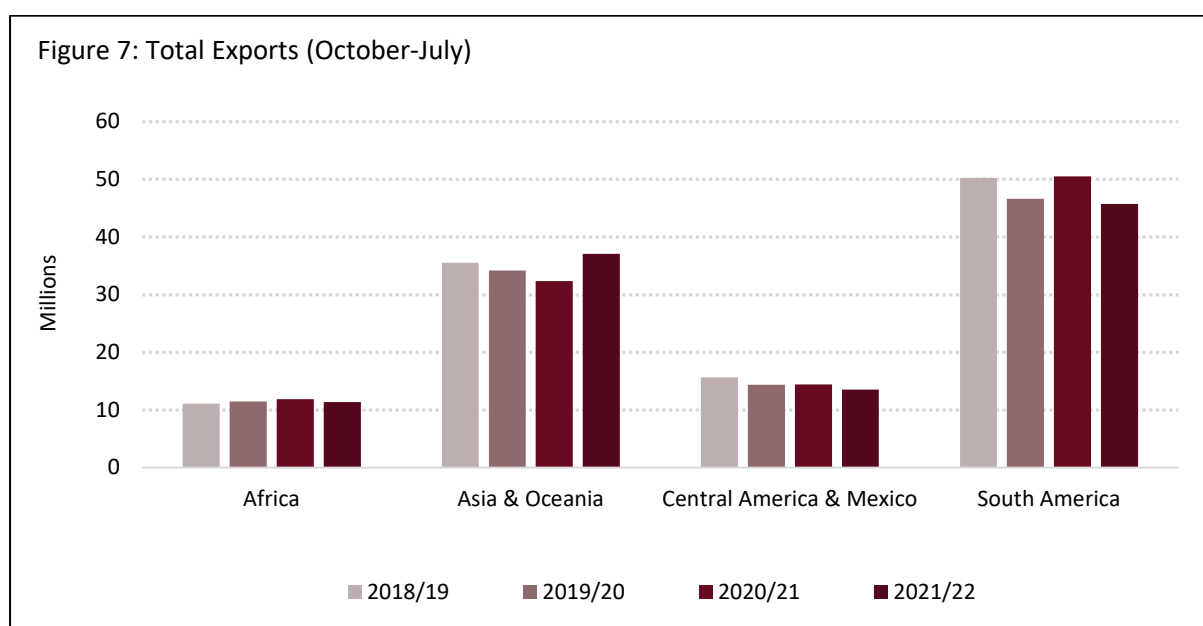
Total exports of soluble coffee increased by 18.5% in July 2022 to 1.01 million bags from 0.85 million bags in July 2021. In the first 10 months of coffee year 2021/22, a total of 10.04 million bags of soluble coffee were exported, representing an increase of 4.3% from the 9.53 million bags exported in the same period during the previous coffee year. The share of soluble coffee of the total exports of all forms of coffee was 9.2% (measured on a moving 12-month average) in July 2022. Brazil is the largest exporter of soluble coffee, shipping 3.26 million bags in the first 10 months of coffee year 2021/22, followed by India with 2.0 million bags, with Indonesia in third place at 1.48 million bags exported over the same period.

Exports of roasted beans increased by 3.4% in July 2022 to 67,101 bags from 64,290 bags in July 2021.

Regional outlook

In October 2021 to July 2022, South America’s exports of all forms of coffee decreased by 8.5% to 42.24 million bags. During this period, shipments from Brazil declined by 12.4% to 31.98 million bags from 37.22 million bags in October-July 2020/21. The volume of exports from Colombia is down 13.2% in the first 10 months of coffee year 2021/22 at 10.28 million bags, from 10.59 million bags in the same period a year ago. The fall in the exports is linked to persistent unfavourable weather conditions reducing the available supply of coffee in the country.

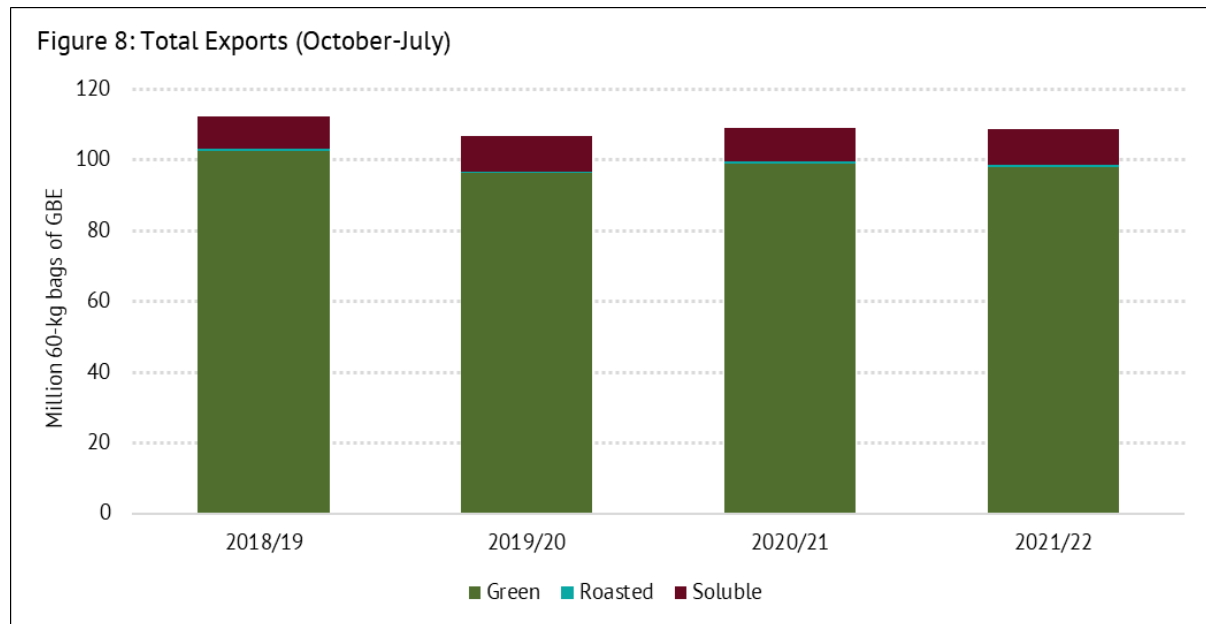
Exports of all forms of coffee from Asia & Oceania increased by 4.0% to 3.19 million bags in July 2022, and by 16.0% to 37.6 million bags in the first 10 months of coffee year 2021/22. During these periods, Vietnam’s exports decreased by 1.9% to 1.95 million bags, but were still up 17.9% to 24.71 million bags, respectively. India’s shipments were up 10.8% to 0.53 million bags in July 2022, and up 28.9% to 6.07 million bags in the first 10 months of coffee year 2021/22. Exports from Indonesia increased by 31.6% to 0.58 million bags in July 2022, and were up 0.2% to 5.59 million bags in October–July 2021/22.



Exports of all forms of coffee from Africa decreased by 13.1% to 1.41 million bags in July 2022 from 1.62 million bags in July 2021. For the first 10 months of the current coffee year, exports totalled 11.36 million bags as compared with 11.83 million bags in coffee year 2020/21. Exports from Tanzania were down 66.6% in July and by 4.9% in the first 10 months of coffee year 2021/22, at 11,754 bags and 0.84 million bags, respectively. Over the same periods, exports from Ethiopia decreased by 23.5% to 0.5 million bags, but increased 6.4% to 3.25 million, respectively.

In July 2022, exports of all forms of coffee from Mexico & Central America were down 16.2% to 1.54 million bags as compared with 1.83 million in July 2021. For the first 10 months of the current coffee year, exports are down 5.6%, totalling 13.61 million bags as compared with

14.42 million bags in October–July 2020/21. The region’s sharp downturn in July, just as it was for June 2022, was due to the 41.1% fall in exports from Honduras, the largest exporter of the region, shipping 0.39 million bags in July 2022 as compared with 0.66 million bags in July 2021. For the first 10 months of coffee year 2021/22, Honduras has exported 4.28 million bags, down 17.9% from 5.22 million bags in the same period in coffee year 2020/21. Less rainfall during the bean-filling period in some growing regions, a high incidence of rust disease as a result of hurricanes Eta and Iota, and stumping following an earlier outbreak of rust disease, which led to renewal in 2012 that reached peak production between the 2018/2020 harvests, all affected the country’s supply of coffee and continue to negatively affect exports from Honduras.



Production and Consumption

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 in the previous coffee year. World coffee consumption is 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.

Annex

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							
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
Aug-22	200.11	295.66	268.43	221.91	109.65	218.53	98.75
% change between Jul-22 and Aug-22							
	4.9%	3.4%	4.9%	3.3%	9.2%	3.7%	10.2%
Volatility (%)							
Jul-22	10.1%	9.6%	10.8%	12.3%	6.3%	13.5%	6.4%
Aug-22	10.3%	10.0%	11.4%	13.3%	6.6%	14.6%	7.1%
Variation between Jul-22 and Aug-22							
	0.2	0.4	0.6	1.0	0.3	1.1	0.7

* 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
Aug-22	27.23	73.75	186.01	46.52	158.78	112.26	119.79
% change between Jun-22 and Jul-22							
	-9.7%	3.5%	0.2%	13.2%	2.1%	-1.8%	-1.2%

* Average prices for 2nd and 3rd positions

Table 3: World Supply/Demand Balance

Coffee year commencing	2017	2018	2019	2020*	2021*	% change 2020/21
PRODUCTION	167,806	170,195	168,902	170,830	167,170	-2.1%
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%
CONSUMPTION	160,006	166,730	162,998	164,865	170,298	3.3%
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%
BALANCE	7,799	3,465	5,904	5,965	-3,128	

*preliminary estimates

Table 4: Total exports by exporting countries

	Jul-21	Jul-22	% change	Year to Date Coffee Year		
				2020/21	2021/22	% change
TOTAL	10,828	10,115	-6.6%	109,167	108,804	-0.3%
Arabicas	6,855	6,382	-6.9%	69,963	67,674	-3.3%
<i>Colombian Milds</i>	<i>1,264</i>	<i>1,131</i>	<i>-10.5%</i>	<i>11,785</i>	<i>11,451</i>	<i>-2.8%</i>
<i>Other Milds</i>	<i>2,661</i>	<i>2,460</i>	<i>-7.6%</i>	<i>21,809</i>	<i>22,210</i>	<i>1.8%</i>
<i>Brazilian Naturals</i>	<i>2,929</i>	<i>2,791</i>	<i>-4.7%</i>	<i>36,369</i>	<i>34,014</i>	<i>-6.5%</i>
Robustas	3,973	3,734	-6.0%	39,204	41,129	4.9%

In thousand 60-kg bags

Monthly trade statistics are available on the ICO website at www.ico.org/trade_statistics.asp**Table 5: Certified stocks on the New York and London futures markets**

	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
New York	2.26	2.01	1.71	1.66	1.39	1.08	1.23	1.20	1.16	1.04	0.77	0.72
London	2.09	1.97	1.78	1.66	1.57	1.54	1.63	1.56	1.71	1.76	1.80	1.61

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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