



I-CIP rebounds back over 200 US cents/lb for the first time since February

- *The ICO Composite Indicator Price (I-CIP) gained 4.5% from May to June 2022, averaging 202.46 US cents/lb for the latter.*
- *Average prices for all groups indicators increased in June 2022.*
- *The arbitrage between New York and London Futures markets developed an 8.5% increase, ranging from 124.30 to 134.90 US cents/lb from May to June 2022.*
- *Intra-day volatility of the I-CIP increased 0.5 percentage points between May and June 2022, reaching 11.0%.*
- *The New York certified stocks decreased 11.2% from the previous month, closing in at 1.03 million bags whilst certified stocks of Robusta coffee reached 1.76 million bags, representing an increase of 2.9%.*
- *Global exports of green beans in May 2022 totalled 9.75 million 60-kg bags, compared with 8.8 million bags in the same month of the previous year, up 10.7%.*
- *Total exports of all forms of coffee were up 10% in May 2022, totalling 10.8 million bags, while in the first eight months of coffee year 2021/22 they reached 87.99 million bags, with a consolidated increase of 0.7%.*
- *South America's exports are up 24.5% at 3.92 million bags in May 2022, but are down 9.9% for October–May 2021/22 at 37.92 million bags as compared with 42.1 million bags for the same period last year. Exports from Asia and Oceania increased by 16.9% to 3.72 million bags in May 2022, and by 19.7% to 31.13 million bags in the first eight months of coffee year 2021/22. Exports from Africa decreased by 0.9% to 1.29 million bags in May 2022 from 1.3 million bags in May 2021, totalling 8.59 million 60-kg bags from October to May. In May 2022, exports from Mexico and Central America were down 14.5% to 1.87 million bags versus 2.19 million in May 2021.*
- *Total exports of soluble coffee increased by 3.0% in May 2022 to 0.98 million bags versus 0.95 million bags in May 2021. As a result, the share of soluble coffee within the total exports of all forms of coffee has risen to 10.1% (measured on a moving 12-month average) in May 2022 versus 10.0% in May 2021. Exports of roasted beans increased by 9.9% in May 2022 to 75,329 bags versus 68,539 bags in May 2021, totalling 0.56 million 60-kg bags from October 2021 to May 2022.*
- *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.*

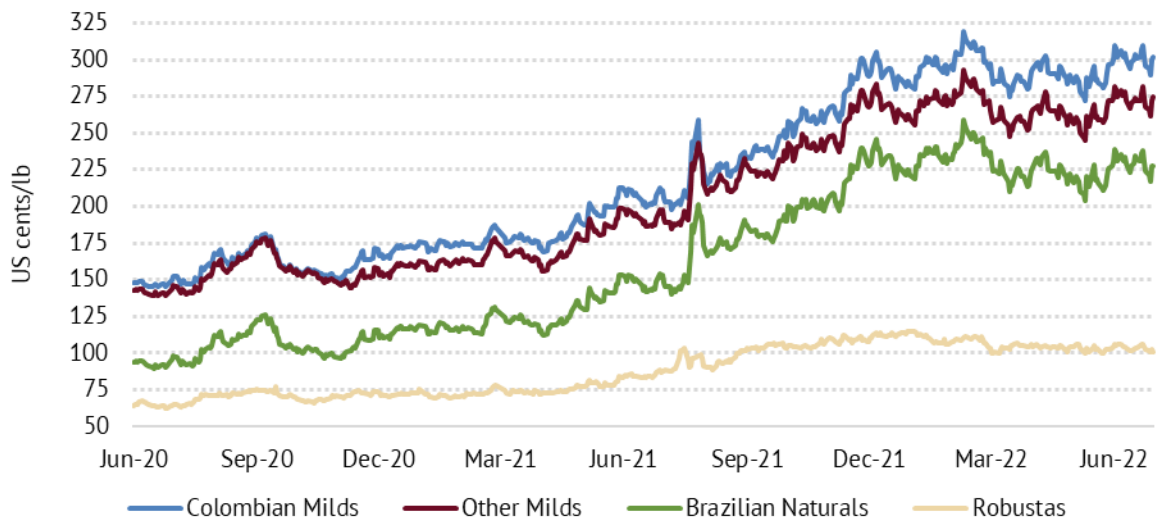
The ICO Composite Indicator Price (I-CIP) gained 4.5% from May to June 2022, averaging 202.46 US cents/lb for the latter. In June 2022, the I-CIP fluctuated between 197.37 and 206.40 US cents/lb.

Figure 1: ICO Composite Indicator Daily Prices



Average prices for all groups indicators increased in June 2022. The Brazilian Naturals outperformed all growths by gaining 5.8% from May to June 2022, reaching 230.40 US cents/lb. The Colombian Milds and Other Milds presented a similar positive trend, increasing by 5.3% and 5.1% respectively. The Colombian Milds averaged 301.57 US cents/lb in June 2022, whilst the Other Milds averaged 273.69 US cents/lb. This upwards trend is in part due to the 2nd and 3rd positions of the New York futures market which expanded by 4.9% from May to June 2022, ranging from 218.61 US cents/lb to 229.38 US cents/lb. The average of the 2nd and 3rd positions of the ICE Futures Europe for Robustas increased by 0.2%, helping to push the Robustas group indicator to 103.81 US cents/lb, up by 0.7% in June 2022.

Figure 2: ICO Group Indicator Daily Prices



The differentials between the Colombian Milds and Other Milds increased by 7.2%, from 26.02 to 27.88 US cents/lb from May to June 2022. Presenting the strongest growth for this period is the Brazilian Naturals and Robustas differential which expanded by 10.3%, from 114.75 to 126.59 US cents/lb. The Other Milds and Robusta differential rose by 8.0% from 157.32 to 169.88 US cents/lb. Presenting similarly strong growth is the Colombian Milds and Robustas differential, gaining 7.9% from 183.34 to 197.76 US cents/lb for the same period. The Colombian Milds and Brazilian Naturals differential presented 3.8% growth from May to June 2022, averaging 71.18 US cents/lb for the latter. However, the Other Milds and Brazilian Naturals differential presented the weakest growth at 1.7%, from 42.57 to 43.29 US cents/lb for the period.

The arbitrage between New York and London Futures markets developed an 8.5% increase, ranging from 124.30 to 134.90 US cents/lb from May to June 2022.

Figure 3: Arbitrage between New York and London futures markets

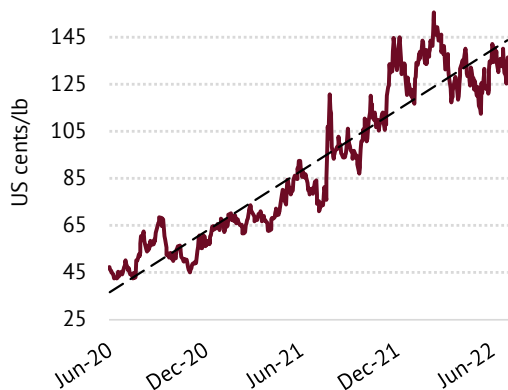
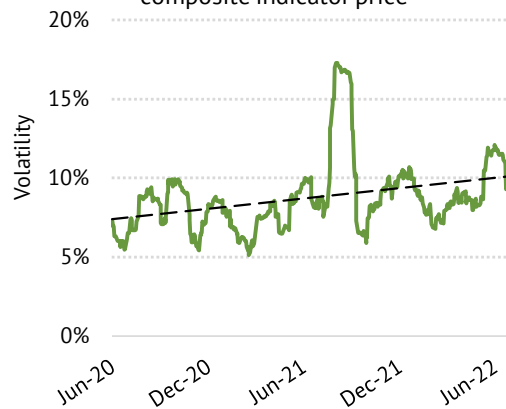
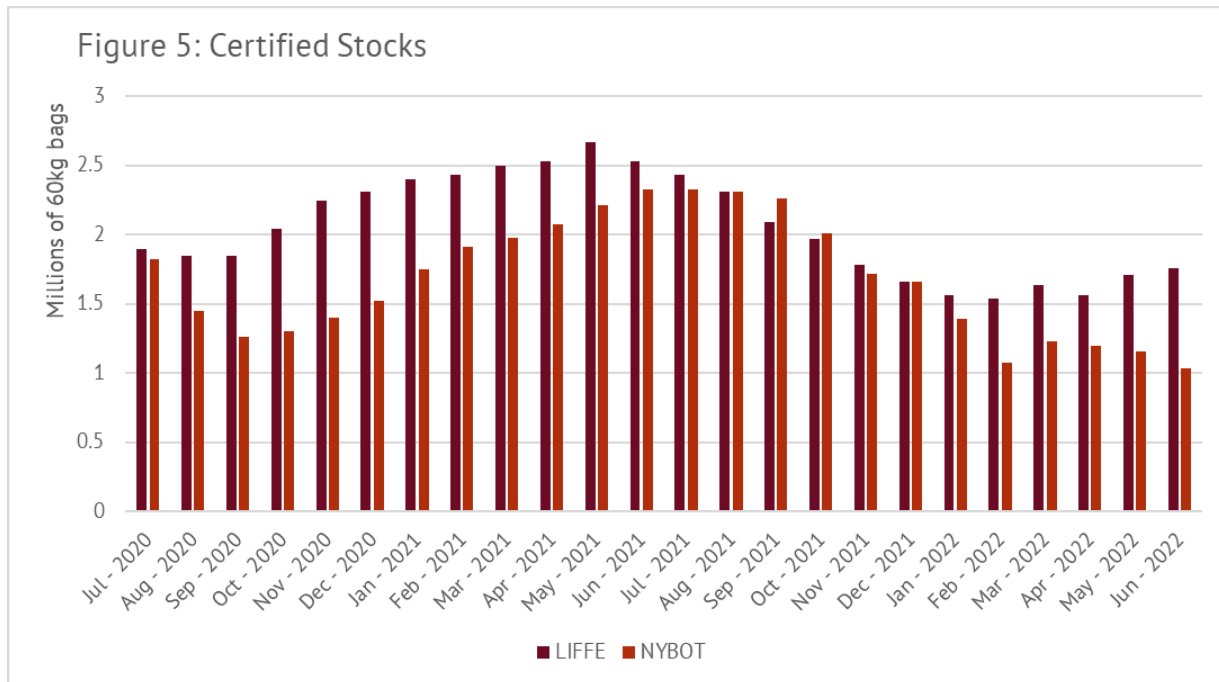


Figure 4: Rolling 30-day volatility of the ICO composite indicator price



Intra-day volatility of the I-CIP increased 0.5 percentage points between May and June 2022, reaching 11.0%. Robustas and the London futures market presented the lowest volatility amongst all group indicators, at 7.5% and 6.9% in June 2022, respectively. The Brazilian Naturals volatility was the highest amongst the groups, averaging 13.5%, a 0.4 percentage point growth from the previous month. The variation in volatility of the Colombian Milds and Other Milds for May to June 2022 is 0.5, increasing to 10.2%, and -0.1, decreasing to 11.0%, respectively. The New York futures market presented 0.7 percentage points of volatility, averaging 13.3% for the month of June 2022.



The New York certified stocks decreased 11.2% from the previous month, closing in at 1.03 million bags whilst certified stocks of Robusta coffee reached 1.76 million bags, representing an increase of 2.9%.

Global exports of green beans in May 2022 totalled 9.75 million bags, compared with 8.8 million bags in the same month of the previous year, up 10.7%. Three of the four groups also increased their exports in May 2022, with Other Milds being the only form to record a decrease, falling by 12.6%. Despite the double-digit increase in May, for the first eight months of coffee year 2021/22, exports of green beans totalled 79.24 million bags, up only 0.2% versus 79.09 million bags for the same period in coffee year 2020/21.

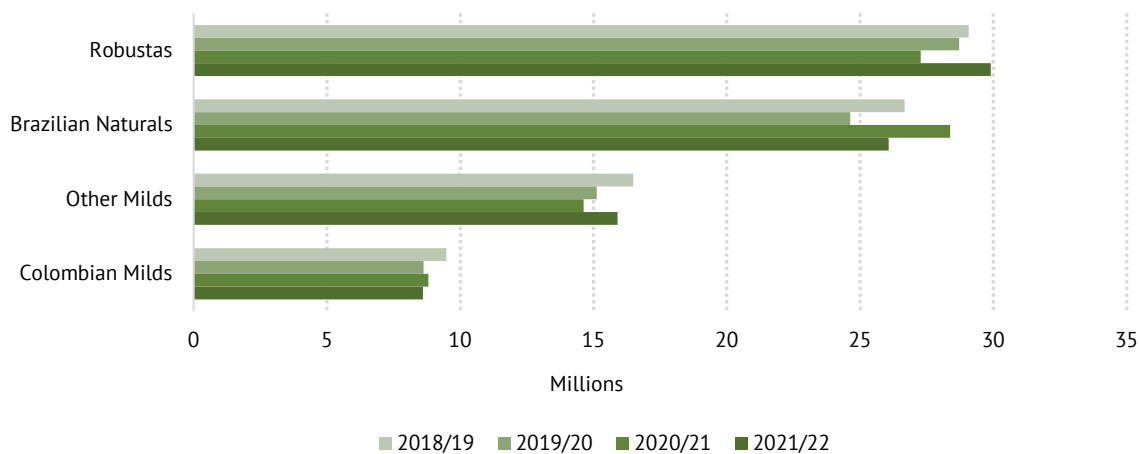
The reason behind the jump in the exports of green beans in May 2022 is the Colombian Milds, which rose by 149.2% in May 2022 to 1.0 million bags versus 0.4 million bags in May 2021. The sharp increase in the growth of the Colombian Milds is technical, reflecting the 56% drop in exports in May 2021, which in turn was due largely to social unrest throughout Colombia, the

main country of origin for this group, hampering the normal flow of exports. The export of 0.4 million bags in May 2021 is the lowest since 0.36 million bags of the Colombian Milds were exported in August 1977.

The Brazilian Naturals form remains the primary reason behind the year-to-date fall in exports of green beans, with 25.86 million bags having been exported between October 2021 and May 2022, as compared with 28.38 million bags in the same period a year ago, down 8.9%. This drop in the cumulative volume of exports comes in the face of an improved performance in May 2022, with the shipment up 16.6% to 2.88 million bags from 2.45 million bags in May 2021. Along with a smaller crop harvested during its Arabica “off-season, the impact of the problems with containers and shipping in Brazil, the main country of origin for this group, reported earlier in the current coffee year, overhang the Brazilian Natural market.

Shipments of the Other Milds decreased by 12.6% in May to 2.33 million bags versus 2.67 million bags in the same period last year. For the first eight months of coffee year 2021/22, exports of the Other Milds amounted to 15.48 million bags versus 14.63 million bags in October–May 2020/21, a 5.8% increase. Exports of Robustas totalled 3.54 million bags in May 2022, as compared with 3.27 million bags in May 2021, up 8.4%. Exports of green beans for the first eight months of the current and previous coffee years for Robustas are 29.4 million bags and 27.27 million bags, respectively, up 7.8%.

Figure 6: Green Exports (October-May)



Total exports of all forms of coffee were up 10% in May 2022, totalling 10.8 million bags, while in the first eight months of coffee year 2021/22 they reached 87.99 million bags, with a consolidated increase of 0.7%

In October 2021 to May 2022, South America’s exports decreased by 9.9% to 37.92 million bags. During this period, shipments from Brazil declined by 16.0% to 26.36 million bags versus 31.39 million bags in October–May 2020/21. Continuing issues with the availability of containers

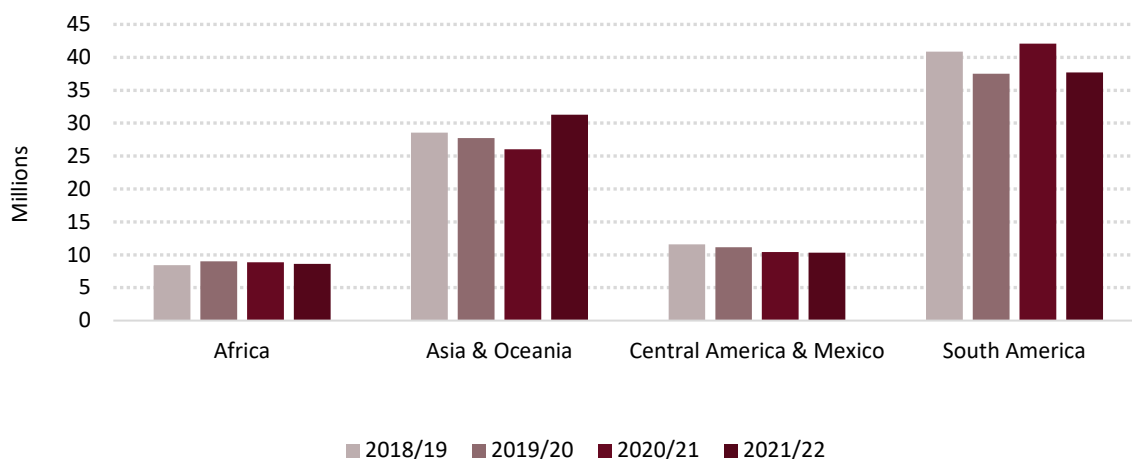
and reduced shipping capacity, albeit with reported improvements in recent months, together with a smaller crop harvested during its Arabica “off-season”, are the main reasons behind the sharp fall. The volume of exports from Colombia is down 2.3% for the first eight months of coffee year 2021/22 at 8.29 million bags versus 8.49 million bags for the same period last year. The fall in exports is linked to persistent unfavourable weather conditions which have reduced the available supply of coffee in the country.

Exports from Asia and Oceania increased by 16.9% to 3.72 million bags in May 2022, and by 19.7% to 31.13 million bags in the first eight months of coffee year 2021/22. Vietnam’s exports during these periods increased by 16.1% to 2.44 million bags, and 20.9% to 20.4 million bags, respectively. India’s shipments increased by 29% to 0.64 million bags in May 2022, and by 35.5% to 4.87 million bags in the first eight months of coffee year 2021/22. Exports from Indonesia increased by 8.4% to 0.52 million bags in May 2022, and by 5.1% to 4.91 million bags in October–May 2021/22.

Exports from Africa decreased by 0.9% to 1.29 million bags in May 2022 from 1.3 million bags in May 2021. For the first eight months of the current coffee year, exports totalled 8.65 million bags versus 8.82 million bags in coffee year 2020/21. Uganda’s exports have continued to fall, decreasing by 7.9% in May 2022 and 4.0% in October 2021–May 2022, as compared with the same period a year ago. Lower production stemming from droughts in some areas of the country’s coffee-growing regions also continues to explain the fall in Uganda’s exports of coffee. Tanzania’s exports are also down 3.6% in the first eight months of coffee year 2021/22 at 0.78 million bags as compared with 0.8 million bags in the same period last year. Meanwhile, exports from Ethiopia increased to 2.28 million bags in the same period, representing a rise of 18.9% from 1.91 million bags.

In May 2022, exports from Mexico and Central America were down 14.5% to 1.87 million bags as compared with 2.19 million in May 2021. For the first eight months of the current coffee year, exports are down 1.1%, totalling 10.29 million bags versus the 10.41 million bags recorded between October 2020 and May 2021. The region’s sharp downturn in May 2022 was due to the 37.3% fall in exports from Honduras, the region’s largest exporter, which shipped 0.52 million bags in May 2022 versus 0.83 million bags in May 2021. Over the first eight months of coffee year 2021/22, Honduras has exported 3.33 million bags, down 11.8% from 3.78 million bags in the same period in coffee year 2020/21. This poor performance by Honduras to date is related to less rainfall during the bean-filling period across a number of growing regions, as well as a high incidence of rust disease as a result of hurricanes Eta and Iota in 2020. Moreover, following an earlier outbreak of rust disease in 2012, stumping led a renewal process that reached peak production between the 2018/2020 harvests, hence the current downturn in the country’s coffee supply.

Figure 7: Total Exports (October-May)

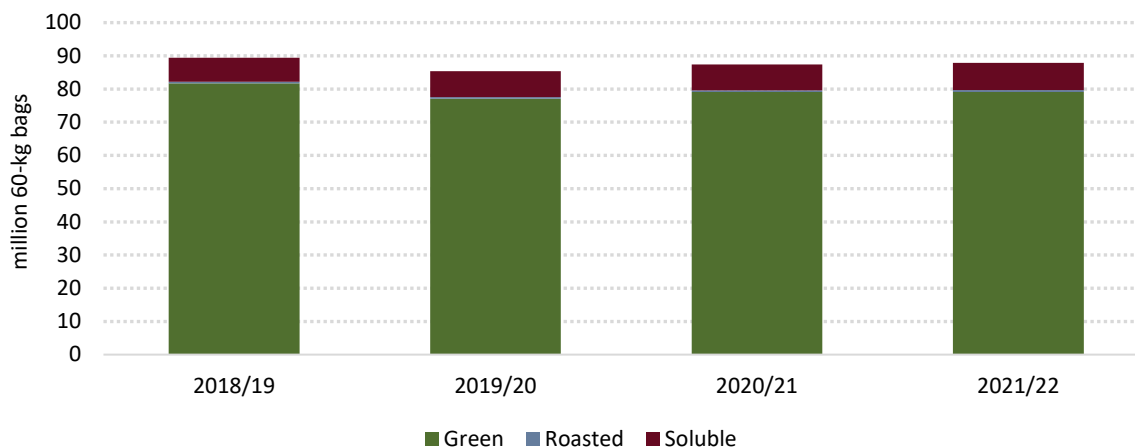


Total exports of soluble coffee increased by 3.0% in May 2022 to 0.98 million bags versus 0.95 million bags in May 2021. In the first eight months of coffee year 2021/22, a total of 8.19 million bags of soluble coffee were exported, representing an increase of 5.7% from the 7.74 million bags exported in the same period during the previous coffee year. As a result, the share of soluble coffee within the total exports of all forms of coffee has risen to 10.1% (measured on a moving 12-month average) in May 2022 versus 10.0% in May 2021.

Brazil is the largest exporter of soluble coffee, shipping 2.61 million bags in the first eight months of coffee year 2021/22, followed by India and Indonesia with 1.45 million and 1.224 million bags exported over the same period, respectively.

Exports of roasted beans increased by 9.9% in May 2022 to 75,329 bags versus 68,539 bags in May 2021.

Figure 8: Total Exports (October-May)



The latest provisional outlook for total production in coffee year 2021/22 remains unchanged at 167.2 million bags, a 2.1% decrease versus 170.83 million bags in 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. However, exogenous factors such as reduced global economic growth and increased cost of inputs, production and trade may affect both supply and demand in the remaining four months of coffee year 2021/22.

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							
Jul-21	152.06	216.17	204.23	160.92	94.47	168.55	81.17
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
% change between May-22 and Jun-22							
	4.5%	5.3%	5.1%	5.8%	0.7%	4.9%	0.2%
Volatility (%)							
May-22	10.5%	9.7%	11.1%	13.1%	7.3%	12.6%	6.9%
Jun-22	11.0%	10.2%	11.0%	13.5%	7.5%	13.3%	6.9%
Variation between May-22 and Jun-22							
	0.5	0.5	-0.1	0.4	0.2	0.7	0.0

* 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*
Jun-21	14.10	58.38	121.73	44.28	107.63	63.35	83.27
Jul-21	11.94	55.25	121.70	43.31	109.76	66.45	87.38
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
% change between May-22 and Jun-22							
	7.2%	3.8%	7.9%	1.7%	8.0%	10.3%	8.5%

* 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

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

	May-21	May-22	% change	Year to Date Coffee Year		
				2020/21	2021/22	% change
TOTAL	9,822	10,803	10.0%	87,342	88,506	1.3%
Arabicas	6,055	6,757	11.6%	56,102	54,602	-2.7%
Colombian Milds	483	1,097	126.9%	9,520	9,267	-2.7%
Other Milds	2,857	2,576	-9.8%	16,214	17,282	6.6%
Brazilian Naturals	2,715	3,084	13.6%	30,369	28,053	-7.6%
Robustas	3,767	4,046	7.4%	31,240	33,904	8.5%

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

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
New York	2.32	2.31	2.27	2.01	1.72	1.67	1.40	1.08	1.23	1.20	1.16	1.03
London	2.43	2.31	2.09	1.97	1.78	1.66	1.57	1.54	1.63	1.56	1.71	1.76

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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