

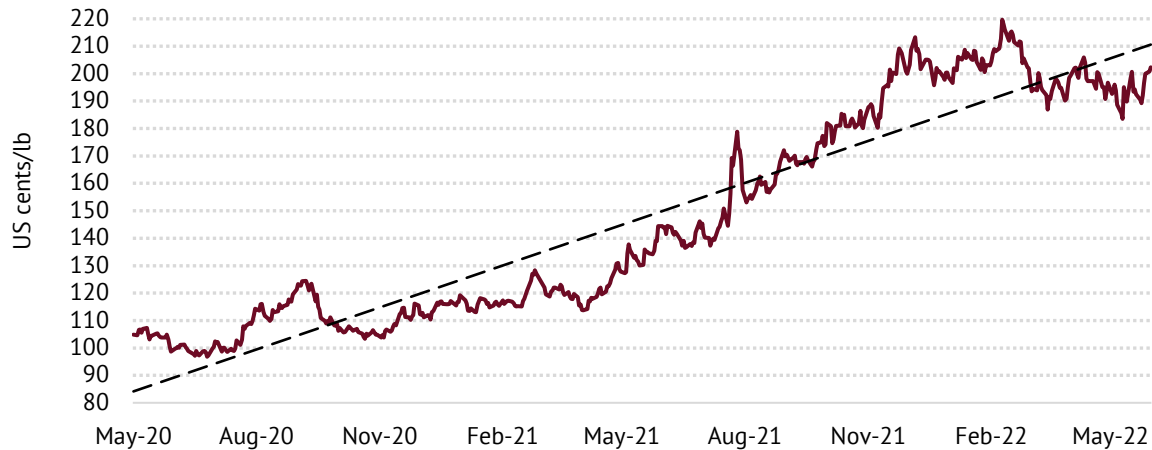


I-CIP dips slightly but remains strong, closing the month above 200.00 US cents/lb

- *The ICO Composite Indicator Price (I-CIP) lost 2.4% from April to May 2022, averaging 193.71 US cents/lb for the latter. Average prices for all groups indicators decreased in May 2022. Prices for Brazilian Naturals outperformed all groups by declining 3.7% to 217.84 US cents/lb from April to May 2022.*
- *The differentials between the Colombian Milds and Other Milds decreased by 4.5%, from 27.24 to 26.02 US cents/lb over April to May 2022. Presenting the strongest growth for this period is the Other Milds and Brazilian Naturals differential, rising by 8.4% from 39.28 to 42.57 US cents/lb*
- *Arbitrage between New York and London closed the gap from 130.30 to 124.30 US cents/lb, presenting a 4.6% decrease.*
- *Intra-day volatility of the I-CIP gained 1.9 percentage points between April and May 2022, reaching 10.5%.*
- *The New York certified stocks lost 3.3% from the previous month, closing in at 1.16 million bags whilst certified stocks of Robusta coffee for London reached 1.71 million bags, representing an increase of 9.6%.*
- *Global exports of green beans in April 2022 totalled 9.86 million 60-kg bags, compared with 10.16 million bags in the same month of the previous year. Exports reached 69.67 million bags in the first seven months of coffee year 2021/22, a decrease of 0.9% as compared with 70.28 million bags for the same period in coffee year 2020/21.*
- *From October 2021 to April 2022, South America's exports decreased by 12.7% to 33.8 million bags.*
- *Exports from Asia & Oceania increased by 20.9% to 3.96 million bags in April 2022, and by 9.0% to 28.06 million bags in the first seven months of coffee year 2021/22.*
- *Exports from Africa decreased by 10.1% to 1.08 million bags in April 2022 from 1.2 million bags in February 2021.*
- *In April 2022, exports from Mexico & Central America were up 0.8% to 2.1 million bags as compared with 2.06 million in April 2021.*
- *Total exports of soluble coffee shrunk by 2.1% in April 2022 to 0.99 million bags from 1.01 million bags in April 2021.*

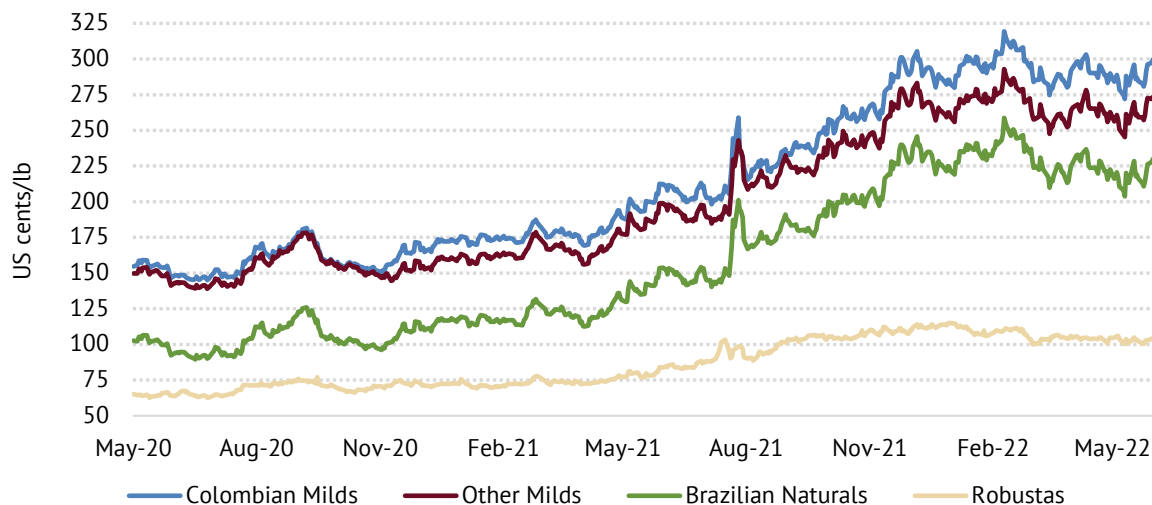
The ICO Composite Indicator Price (I-CIP) lost 2.4% from April to May 2022, averaging 193.71 US cents/lb for the latter. In May 2022, the I-CIP fluctuated in between 185.63 and 202.26 US cents/lb.

Figure 1: ICO Composite Indicator Daily Prices



Average prices for all groups indicators decreased in May 2022. The Brazilian Naturals performed the least well of all groups by declining 3.7% to 217.84 US cents/lb from April to May 2022. The Colombian Milds and Other Milds presented a similar negative trend, losing 2.1% and 1.9% respectively. The Colombian Milds averaged 286.44 US cents/lb in May 2022, whilst the Other Milds averaged 260.42 US cents/lb. This downwards trend is in part due to the 2nd and 3rd positions of the New York futures market losing 3.0% from April to May 2022, ranging from 225.37 US cents/lb to 218.61 US cents/lb. The average of the 2nd and 3rd positions of the ICE Futures Europe for Robustas decreased by 0.8%, bringing down the Robustas group indicator to 103.10 US cents/lb in May 2022.

Figure 2: ICO Group Indicator Daily Prices



The differentials between the Colombian Milds and Other Milds decreased by 4.5%, from 27.24 to 26.02 US cents/lb over April to May 2022. Presenting the strongest growth for this period is the Other Milds and Brazilian Naturals differential, rising by 8.4% from 39.28 to 42.57 US cents/lb. The Colombian Milds and Brazilian Naturals differential presented a 3.1% growth from April to May 2022, averaging 68.60 US cents/lb for the latter. However, the Colombian Milds and Robustas differential saw it diminish by 2.8% from 188.68 to 183.34 US cents/lb for the same period. The Brazilian Naturals and Robustas differential recorded the highest decrease by 6.1%, from 122.15 to 114.75 US cents/lb, while **the arbitrage between New York and London closed the gap from 130.30 to 124.30 US cents/lb, presenting a 4.6% decrease.**

Figure 3: Arbitrage between New York and London futures markets

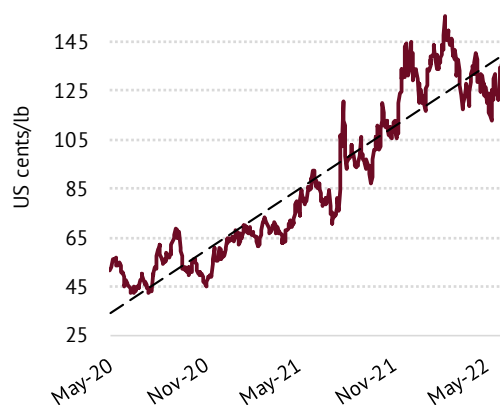
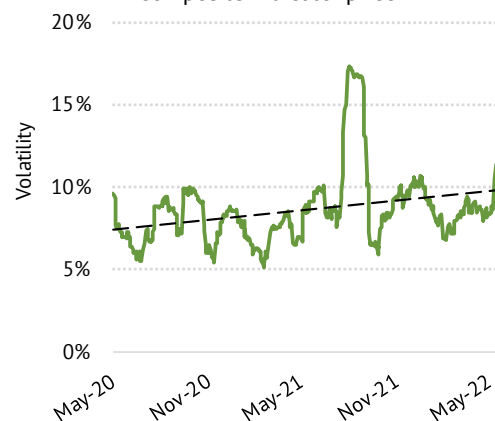
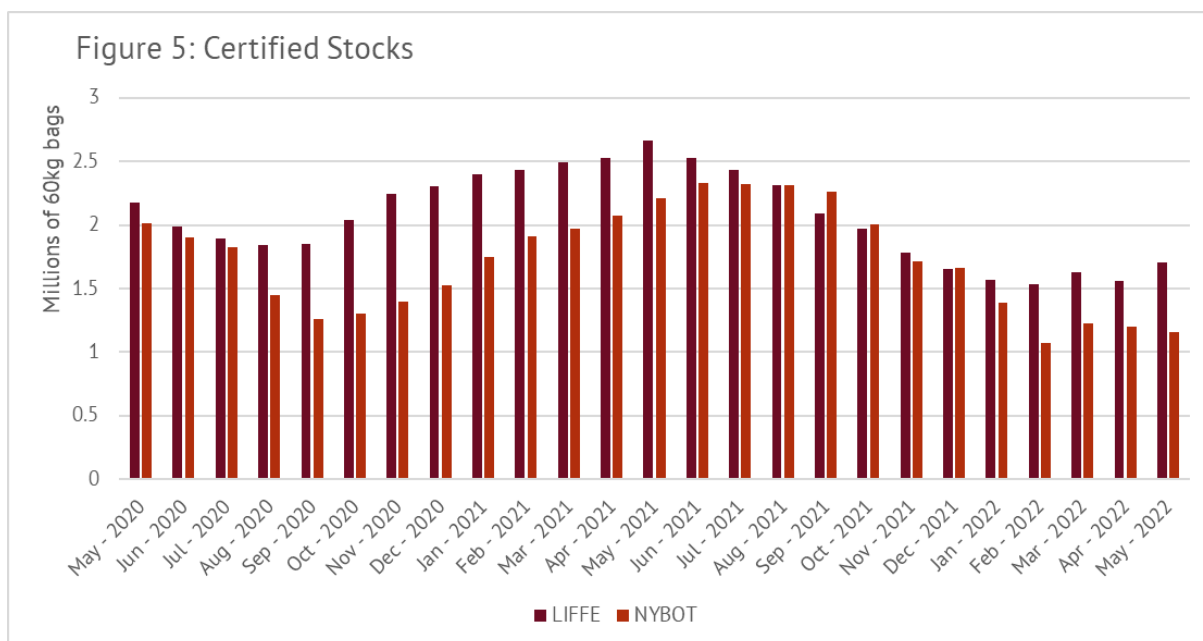


Figure 4: Rolling 30-day volatility of the ICO composite indicator price

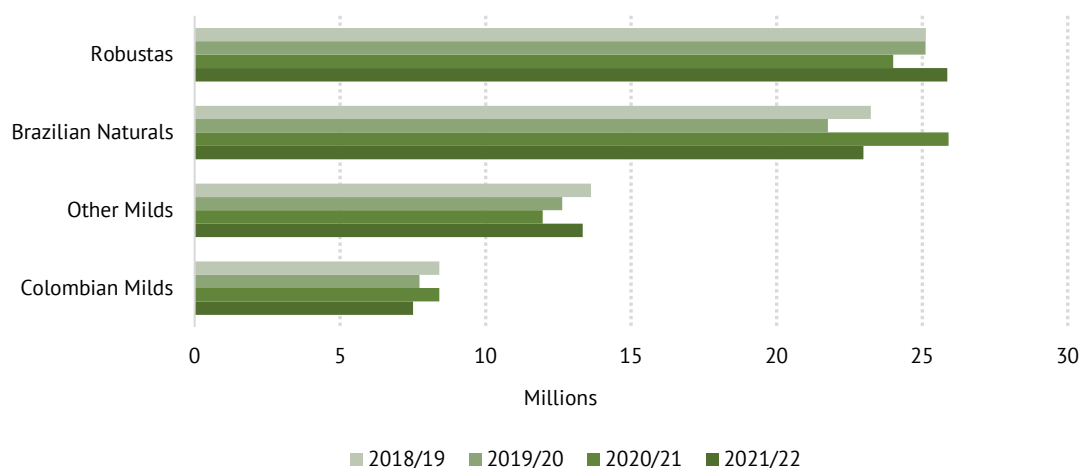


Intra-day volatility of the I-CIP increased 1.9 percentage points between April and May 2022, reaching 10.5%. Robustas and the London futures market presented the lowest volatility amongst all group indicators, at 7.3% and 6.9% in May 2022. The Brazilian Naturals volatility, was the highest amongst the groups, averaging 13.1%, a 2-percentage points growth from the previous month. The variation in volatility of the Colombian Milds and Other Milds for April to May 2022 is 1.7% to 9.7% and 2.0% to 11.1% respectively. The London futures market remained the most stable at 6.9% whilst the New York futures market presented 12.6% volatility. An overall trend of increased volatility emerged in May 2022 as result of both endogenous factors still influencing, such as coffee supply chain bottleneck and exogenous factors due to overall economy and markets dynamics and tensions.



The New York certified stocks decreased 3.3% from the previous month, closing in at 1.16 million bags whilst certified stocks of Robusta coffee for London reached 1.71 million bags, representing an increase of 9.6%.

Figure 6: Green Exports (October-April)

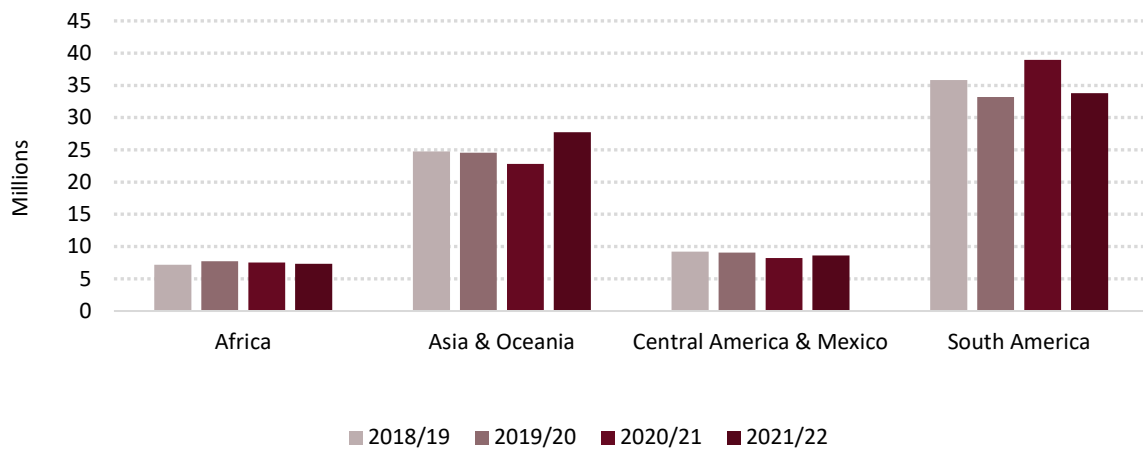


Global exports of green beans in April 2022 totalled 9.86 million bags, compared with 10.16 million bags in the same month of the previous year. Exports reached 69.67 million bags in the first seven months of coffee year 2021/22, a decrease of 0.9% as compared with 70.28 million bags for the same period in coffee year 2020/21. Reduced shipments of Brazilian Naturals is the main reason behind the drop in global exports of green beans, falling by 12.2% in April 2022 to 2.87 million bags, from 3.27 million bags in April 2021, and by 11.3% over the first seven months of coffee year 2021/22, which were 22.98 million bags, compared with 25.91 million bags in the same period a year ago. Specifically, the underlying reason for the decline lies with lower export from Brazil, due to recorded container and shipping constrains,

along with a smaller crop harvested during its Arabica “off-season”. Exports of the Colombian Milds decreased 13.2% to 0.9 million bags in April 2022 from 1.04 million bags in April 2021, and remaining down 10.8% for the first seven months of coffee year 2021/22 at 7.5 million bags from 8.41 million bags in October-April 2020/21.

Shipments of the Other Milds increased by 1.4% in April to 2.51 million bags from 2.47 million bags in the same period last year. For the first seven months of coffee year 2021/22, exports of the Other Milds were 13.33 million bags as compared with 11.96 million bags in October-April 2020/21, a 11.4% increase. Exports of Robusta were 3.58 million bags in April 2022, as compared with 3.38 million bags in April 2021, up 5.9%. Exports of green beans for the first seven months of the current and previous coffee years for Robusta are 25.86 million bags and 24.0 million bags, respectively, up 7.7%.

Figure 7: Total Exports (October-April)



In October 2021 to April 2022, South America’s exports decreased by 12.7% to 33.8 million bags.

During this period, shipments from Brazil declined by 18.0% to 23.55 million bags from 28.72 million bags in October-April 2020/21. Supply chain bottlenecks due to reduced availability of containers and shipping capacity, albeit with reported improvements in recent weeks, and a smaller crop harvested during its Arabica “off-season” are the main reasons for the sharp fall. The volume of exports from Colombia fell by 17.8% to 0.87 million bags in April 2022, as compared with 1.05 million bags in April 2021. In the first seven months of coffee year 2021/22, Colombia’s exports fell by 9.8% to 7.34 million bags, from 8.14 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 from Asia & Oceania increased by 20.9% to 3.96 million bags in April 2022, and by 9.0% to 28.06 million bags in the first seven months of coffee year 2021/22.

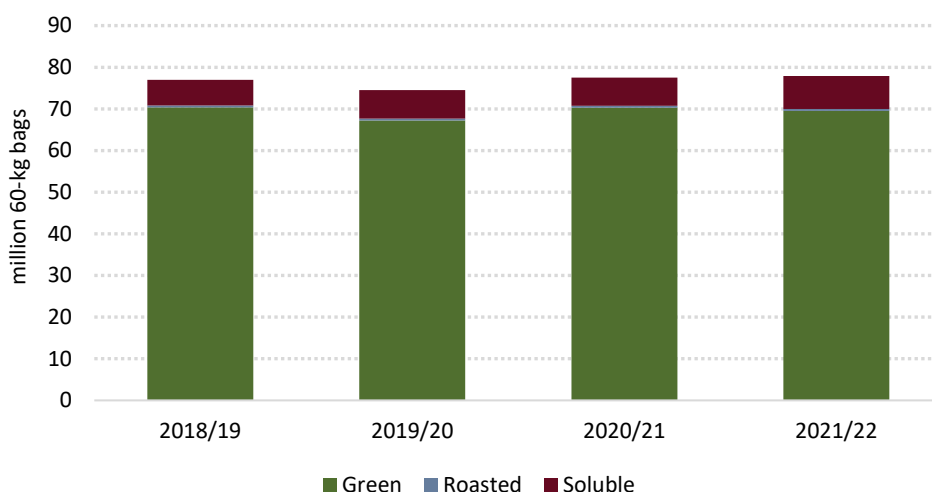
Vietnam’s exports, during these periods, increased by 22.8% to 2.7 million bags and 21.6% to 17.97 million bags, respectively. These sharp increases are technical, reflecting the significant decreases in the same periods last year, down 20.0% and 14.3%, respectively, due to logistical issues - shortage of available shipping containers, rising freight costs, and port congestion at destinations in the United States and Europe that eased in the current coffee year. India’s shipments increased by 7.8% to 0.6 million bags in April 2022 and by 36.5% to 4.23 million bags in the first seven months

of coffee year 2021/22. Exports from Indonesia increased by 13.6% to 0.49 million bags in April 2022, and by 17.0% to 4.9 million bags in October-April 2021/22. The large increases of total exports of coffee in Indonesia are due to the success of the country's soluble coffee industry, shipping 1.6 million bags in October-April 2021/22 as compared with 1.12 million bags in October-April 2020/21.

Exports from Africa decreased by 10.1% to 1.08 million bags in April 2022 from 1.2 million bags in February 2021. For the first seven months of the current coffee year, exports totalled 7.35 million bags as compared with 7.52 million bags in coffee year 2020/21. Uganda is the main reason for the region's sharp drop in the April exports, which is attributed to lower production stemming from droughts in some parts of the coffee-growing regions of the country. In April, exports of Uganda fell by 24.1% to 0.41 million bags as compared with 0.54 million bags in April 2021. For the seven months of coffee year 2021/22, exports decreased to 3.28 million bags as compared with 3.4 million bags over the same period a year ago. Ethiopia exported 0.35 million bags in April 2022, and 1.87 million bags in the first seven months of coffee year 2021/22, up 24.2%. Exports of Tanzania increased by 16.7% in April 2022 to 64,001 bags from 54,852 bags in April 2021, leaving the total volume for the first seven months of coffee year 2021/22 at 0.72 million, marginally up at 0.1% from 0.72 million bags in October-April 2020/21.

In April 2022, exports from Mexico & Central America were up 0.8% to 2.1 million bags as compared with 2.06 million in April 2021. However, for the first seven months of the current coffee year, exports are up by 4.7%, totalling 8.6 million bags as compared with 8.22 million bags in October-April 2020/21. The region's marginal growth rate in April was due to the confluence of 33.0% and 12.3% falls in exports by Costa Rica and Mexico, respectively, and 4.7% and 22.0% rises by Guatemala and Nicaragua, respectively. Of the top five exporters in Mexico and Central America, Costa Rica experienced the biggest drop in absolute volume, decreasing from 0.16 million bags in April 2021 to 0.11 million in April 2022, a difference of 52,070 bags. The size of decreases in the rate and absolute volume of Costa Rica in April 2022 are mainly mechanical, reflecting the 20.9% increase in April 2021 at 0.15 million bags, the largest year-on-year growth rate for the months of April since the 41.8% jump in 2005 and the biggest absolute level of exports for these months since 2014. Honduras, the largest exporter of the region, shipped 0.75 million bags in April 2022, the same volume as the same period last year. For the first seven months of coffee year 2021/22, Honduras has exported 2.97 million bags, up 1.1% from 2.94 million bags in the same period in coffee year 2020/21. The lacklustre performance, so far, of Honduras is related to less rainfall during the beans growing period in a number of growing regions, high incidence of rust disease as a result of hurricanes ETA and IOTA and stumping following the rust disease led renewal in 2012 that reached their peak production between the 2018/2020 harvests which all affected the country's supply of coffee.

Figure 8: Total Exports (October-April)



Total exports of soluble coffee shrunk by 2.1% in April 2022 to 0.99 million bags from 1.01 million bags in April 2021. On the other hand, in the first seven months of coffee year 2021/22, a total of 7.85 million bags of soluble coffee was shipped, an increase of 15.7% from 6.79 million bags exported in the same period during the previous coffee year. As a result, the share of soluble coffee of the total exports of all forms of coffee has risen to 9.6% (measured on moving 12 months average) in April 2022 from 9.0% in April 2021. Brazil is the largest exporter of soluble coffee, shipping 2.33 million bags in the first seven months of coffee year 2021/22, followed by Indonesia with 1.6 million bags, with India in third place at 1.24 million bags exported over the same period. Exports of roasted beans increased by 6.1% in April 2022 to 72,128 bags from 67,999 bags in April 2021.

World coffee consumption is 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. 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*
Monthly averages							
Jun-21	141.04	206.56	192.46	148.18	84.83	156.43	73.16
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
% change between Apr-22 and May-22	-2.4%	-2.1%	-1.9%	-3.7%	-0.8%	-3.0%	-0.8%
Volatility (%)							
Apr-22	8.6%	8.0%	9.1%	11.1%	6.1%	10.4%	6.4%
May-22	10.5%	9.7%	11.1%	13.1%	7.3%	12.6%	6.9%
Variation between Apr-22 and May-22							
	1.9	1.7	2.0	2.0	1.2	2.2	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*
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
% change between Apr-22 and May-22	-4.5%	3.1%	-2.8%	8.4%	-2.5%	-6.1%	-4.6%

* 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

	Apr-21	Apr-22	% change	Year to date Coffee Year		
				2020/21	2021/22	% change
TOTAL	11,243	10,924	-2.8%	77,519	78,012	0.6%
Arabicas	7,348	6,809	-7.3%	50,047	48,024	-4.0%
Colombian Milds	1,139	995	-12.6%	9,037	8,170	-9.6%
Other Milds	2,675	2,754	3.0%	13,356	14,887	11.5%
Brazilian Naturals	3,534	3,059	-13.4%	27,654	24,967	-9.7%
Robustas	3,896	4,116	5.7%	27,472	29,988	9.2%

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

	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
New York	2.33	2.32	2.31	2.27	2.01	1.72	1.67	1.40	1.08	1.23	1.20	1.16
London	2.53	2.43	2.31	2.09	1.97	1.78	1.66	1.57	1.54	1.63	1.56	1.71

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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