

Coffee Market Report

April 2022



INTERNATIONAL
COFFEE
ORGANIZATION

I-CIP rebounds in March 2022 on sustained demand

- The ICO Composite Indicator Price (I-CIP) gained 1.8% from March to April 2022, averaging 198.37 US cents/lb for the latter.
- Global exports of green beans in March 2022 totalled 11.79 million 60kg bags, compared with 11.48 million bags in the same month of the previous year, up 2.6%. The Brazilian Naturals and Robustas were the main forces behind the increase, shipping 3.58 million bags and 4.65 million bags of green beans in March 2022 as compared with 3.44 million bags and 4.31 million bags in March 2021, respectively, up 3.9% and 7.8%.
- Global exports of all forms of coffee totalled 13.16 million bags, compared with 12.65 million bags in the same month of the previous year, up 4.0%. The higher increase was due to the 19.4% rise in exports in Asia & Oceania shipping 5.03 million bags in March 2022 as compared with 4.21 million bags in March 2021, largely due to export by Vietnam, which recorded an increase of 29.4% in March 2022 up to 3.62 million bags from 2.8 million bags in March 2021.
- With regards to the other producing regions, in the current coffee year so far, October 2021 to March 2022, South America's exports decreased by 12.1% to 30.11 million, while it was up by 5.6% at 6.5 million bags as compared with 6.16 million bags for Central America and Mexico, over the same period. Exports from Africa totalled 6.25 million bags in October 2021 to March 2022 as compared with 6.34 million bags in the same period in coffee year 2020/21.
- Total exports of soluble coffee grew by 18.7% in March 2022 to 1.29 million bags from 1.09 million bags in March 2021. In the first six months of coffee year 2021/22, a total of 6.53 million bags of soluble coffee were shipped, an increase of 13.0% from 5.78 million bags exported in the same period during the previous coffee year.
- 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 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.

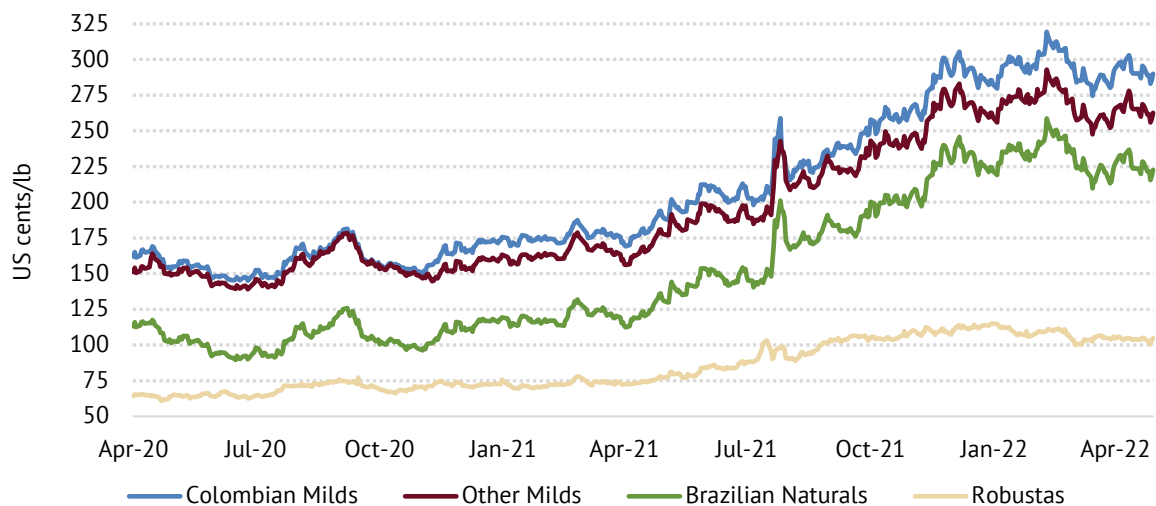
The ICO Composite Indicator Price (I-CIP) gained 1.8% from March to April 2022, averaging 198.37 US cents/lb for the latter. In April 2022, the I-CIP fluctuated in between 186.85 and 202.00 US cents/lb.

Figure 1: ICO Composite Indicator Daily Prices



Average prices for all groups indicators increased in April 2022. Prices for Other Milds outperformed all growths by gaining 2.7% to 265.40 US cents/lb from March to April 2022. Colombian Milds presented a similar growth rate of 2.4% reaching 292.64 US cents/lb from 285.81 US cents/lb. Brazilian Naturals increased as much as the I-CIP, gaining 1.8% where it reached 226.11 US cents/lb in April 2022. The price increase for Robustas was limited to 0.1%, reaching 103.96 US cents/lb. The average of the 2nd and 3rd positions of the London International Financial Futures and Options Exchange for Robustas decreased by 0.1%, bringing down the Robustas group indicator. The New York Board of Trade average of 2nd and 3rd positions for Arabica increased by 1.3% from March to April, reaching 225.37 US cents/lb.

Figure 2: ICO Group Indicator Daily Prices



The differentials between the Colombian Milds and Other Milds decreased by 0.3%, from 27.33 to 27.24 US cents/lb over March to April 2022. Presenting the strongest growth for this period is the Other Milds and Brazilian Naturals differential, rising by 7.8% from 36.46 to 39.28 US cents/lb.

The Other Milds and Robustas differentials increased by 4.4% to 161.44 US cents/lb. The Colombian Milds and Brazilian Naturals differential as well as the Colombian Milds and Robustas differentials grew by 4.3% and 3.7% respectively, reaching 66.53 and 188.68 US cents/lb in April 2022. Lastly, the Brazilian Naturals and Robustas differential grew by 3.3%, reaching 122.15 US cents/lb, a 99.7% rise since May 2021.

Figure 3: Arbitrage between New York and London futures markets

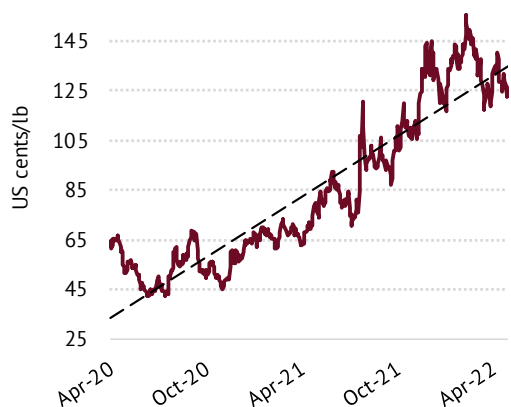
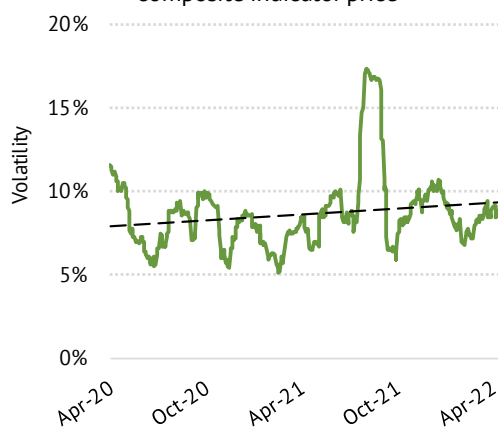


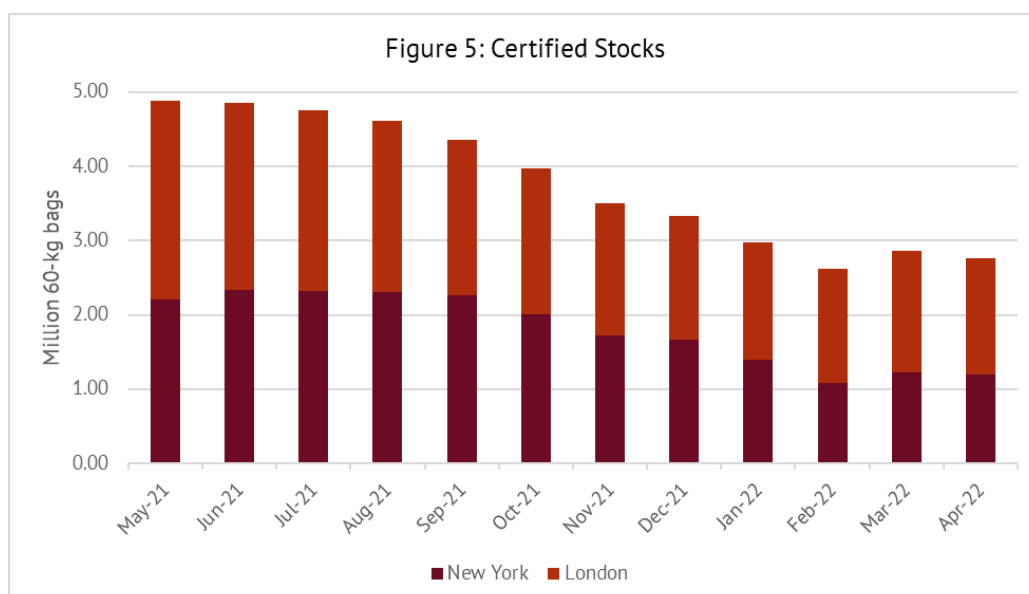
Figure 4: Rolling 30-day volatility of the ICO composite indicator price



In April 2022, the arbitrage between the Arabica and Robusta coffees, as measured on the New York and London futures market, increased by 2.4% to 130.30 US cents/lb.

Intra-day volatility of the I-CIP remained unchanged at 8.6% between March and April 2022 as for the previous month. Robustas presented the lowest volatility amongst all group indicators, at 6.1% for April 2022, whilst Brazilian Naturals volatility averaged 11.1% affected by the Brazilian Real gains against the US Dollar. The variation in volatility of the Colombian Milds and Other Milds for April 2022 is -0.4% to 8.0% and 0.1% to 9.1% respectively. The London futures market remained the most stable at 6.4% whilst the New York futures market presented 10.4% volatility.

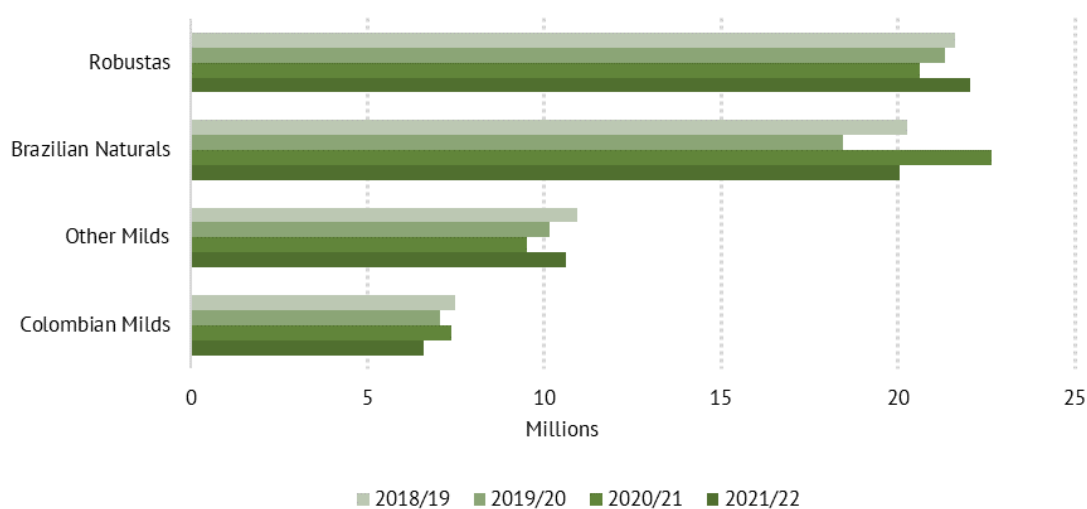
Figure 5: Certified Stocks



Certified stocks on the Arabica New York Futures Exchange were 1.20 million bags and certified stocks of Robusta coffee for the London Futures Exchange figured at 1.56 million bags, representing a decrease of 2.4% and 4.3% respectively.

Global exports of green beans in March 2022 totalled 11.79 million bags, compared with 11.48 million bags in the same month of the previous year, up 2.6%. The Brazilian Naturals and Robustas were the main contributors to the increase in export with 3.58 million bags and 4.65 million bags of green beans in March 2022 as compared with 3.44 million bags and 4.31 million bags, respectively, up 3.9% and 7.8% in March 2021. These increases completely offset the 7.0% fall in exports of the Other Milds, which fell to 2.38 million bags in March 2022 from 2.56 million bags in March 2021.

Figure 6: Green Exports (October-March)



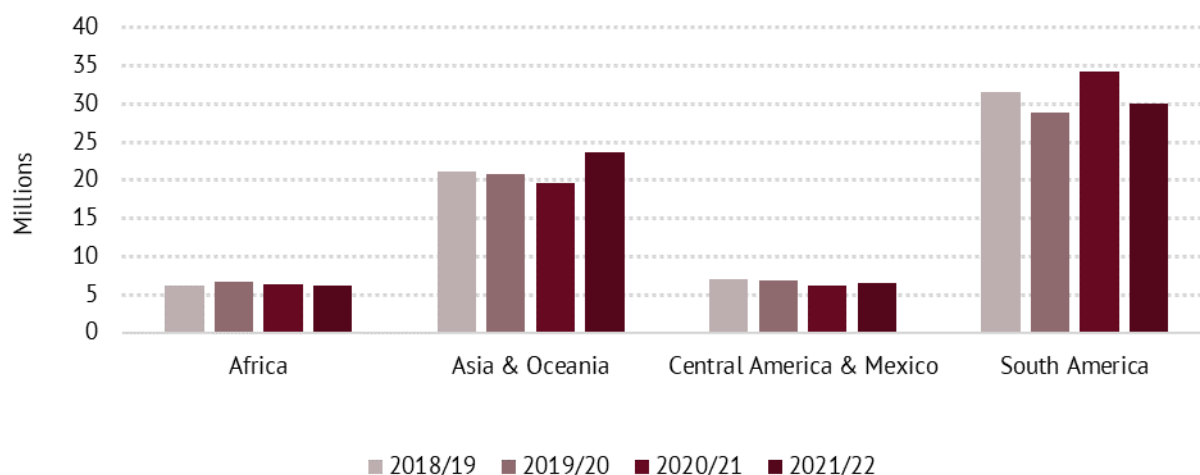
Despite the rise in the total exports of green beans in March 2022, the shipment for the first six month of coffee year 2021/22 is down 1.4% at 59.29 million bags from 60.14 million bags in the same period a year ago. Decrease in shipments of the Colombian Milds and Brazilian Naturals are the main reasons behind the drop in the cumulative global exports of green beans, down by 10.5% and 11.5%, respectively. The former’s export fell to 20.05 million bags in October 2021-March 2022 from 22.65 million bags in October 2020-March 2021, while the latter’s exports fell to 22.05 million bags from 20.61 million bags, over the same period. Specifically, the underlying reason for the falls lies with Colombia as it is suffering from relative lower production due unfavourable weather conditions, whilst Brazil harvested a lower crop during Arabica’s “off-season”. Nevertheless, both countries continue to face supply chain issues, affecting coffee exports.

Shipments of the Other Milds are up 11.4% in the first six month of coffee year 2021/22, despite the 7.0% fall in March 2022, at 10.59 million bags as compared with 9.51 million bags in October 2020-March 2021. Exports of green beans Robusta for the first six months of the current coffee years reached 22.05 million bags compared with 20.61 million bags in the previously coffee year, with a 7.0% increase.

Global exports of all forms of coffee totalled 13.16 million bags, compared with 12.65 million bags in the same month of the previous year, up 4.0%. Asia & Oceania is the main reason behind

the rise, shipping 5.03 million bags in March 2022 as compared with 4.21 million bags in March 2021, an increase of 19.4%. This is the first time that the region’s exports have broken through the 5.0 million bags barrier, and it is also the first time that Asia & Oceania has taken the top position in volume of exports from South America since April 2018. In the first six month of coffee year 2021/22, global exports of all forms of coffee totalled 66.25 million bags as compared with 66.30 million bags.

Figure 7: Total Exports (October-March)



The 19.4% increase in exports of all forms of coffee by Asia & Oceania was due to Vietnam, which recorded an increase of 29.4% in March 2022 from 2.8 million bags in March 2021 to 3.62 million bags in March 2022. In the first six months of coffee year 2021/22, Vietnam had shipped 15.26 million bags, up 21.4% from 12.58 million bags in October 2020-March 2021. These sharp increases need to be seen as balancing the decrease (7.5%) that was recorded in the same period last year, due to logistical constraints- shortage of containers, rising freight costs, and port congestion at destinations in the United States and Europe. India’s shipments increased by 6.8% to 725,000 bags in March 2022 and by 37.6% to 3.51 million bags in the first six month of coffee year 2021/22. Exports from Indonesia decreased by 22.1% to 503,000 bags in March 2022, and up by 1.6% to 3.81 million bags in October-March 2021/22.

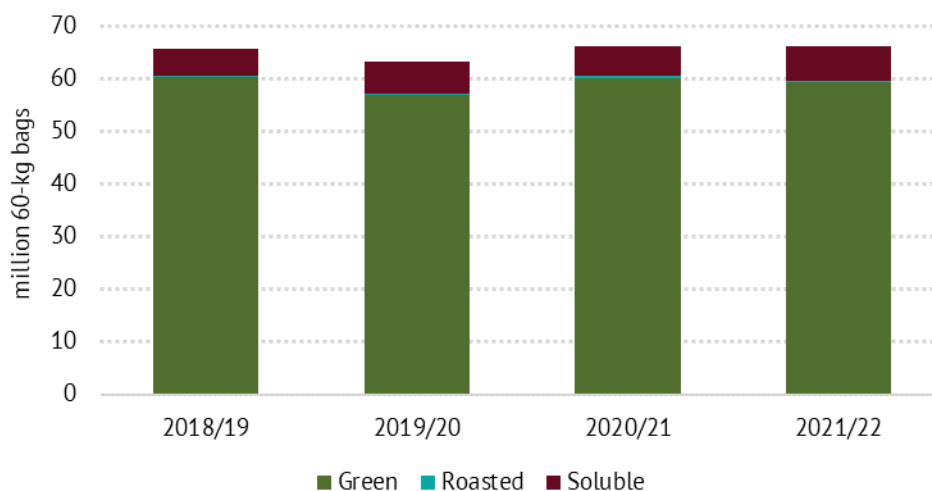
In October 2021 to March 2022, South America’s exports decreased by 12.1% to 30.11 million bags. During this period, shipments from Brazil declined by 17.5% to 20.74 million bags from 25.15 million bags in October-March 2020/21. Availability of containers and shipping capacity, albeit with reported improvements in recent weeks, and a smaller crop harvested during its Arabica “off-season” are the main reasons for the sharp fall. Colombian exports rose 1.3% in March 2022, with volume of coffee shipments increasing to 1.13 million bags from 1.12 million bags in March 2021. On the other hand, in the first six months of coffee year 2021/22, Colombia’s exports fell by 8.6% to 6.48 million bags, from 7.09 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.

In March 2022 exports from Mexico & Central America fell by 10.1%, to 1.91 million bags as compared with 2.12 million in March 2021. Despite this reduction, in the first six months of the current coffee year, exports are up by 5.6% for the region, totalling 6.5 million bags as compared

with 6.16 million bags in October-March 2020/21. Honduras, the region’s largest producer, is the main reason for the region’s fall in exports in March this year, down 22.0% to 630,000 bags from 808,000 bags in March 2021. The decrease is linked to falling production, due to the impact of biennial drop on output and the impact of coffee leaf rust disease. Mexico’s exports fell in March 2022 by 9.3% to 332,000 bags from 366,000 bags. For the first six months of coffee year 2021/22, exports increased by 6.7% to 1.48 million bags from 1.39 million bags in the same period a year ago. Exports from Guatemala decreased by 10.1% in March 2022 to 394,000 bags from 438,000 bags in March 2021. For the first six months of coffee year 2021/22, exports increased by 7.5% to 1.23 million bags from 1.14 million bags in the same period a year ago.

Exports from Africa decreased by 3.8% to 1.24 million bags in March 2022 from 1.29 million bags in March 2021. In the first six months of the current coffee year, exports totalled 6.25 million bags as compared with 6.34 million bags in coffee year 2020/21. Uganda is the main reason for the region’s sharp drop in the March exports, which is due to lower production stemming from droughts in some parts of the coffee-growing regions of the country. In March, exports of Uganda fell by 16.6% to 478,000 bags as compared with 573,000 bags in March 2021. Despite this, in the first six months of coffee year 2021/22, exports are still growing, increasing to 2.88 million bags as compared with 2.87 million bags over the same period a year ago. Ethiopia’s exports rose marginally in March 2022, up to 230,000 bags from 228,000 bags in March 2021. However, for the first six months of coffee year 2021/22, its exports are significantly up by 20.0% reaching 1.43 million bags from 1.19 million bags during the same reporting period. Tanzania’s exports were up 10.8% in March 2022 to 116,000 bags from 104,000 bags in March 2021, bringing the cumulative total for the year to 646,000 bags in coffee year 2021/22 from 663,000 bags in October-March 2020/21, with a decrease of 2.6%

Figure 8: Total Exports (October-March)



Total exports of soluble coffee grew by 18.7% in March 2022 to 1.29 million bags from 1.09 million bags in March 2021. In the first six months of coffee year 2021/22, a total of 6.53 million bags of soluble coffee were shipped, an increase of 13.0 % from 5.78 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 9.8% (measured on moving 12 months average) in March 2022 from 8.9% in March 2021. Vietnam and India have had the

largest absolute expansions of soluble coffee exports, adding 167,000 bags and 108,000 bags to their exports for the first six months of the coffee year 2021/22 as compared with the same period a year ago. Brazil, Côte d'Ivoire, Indonesia, and Thailand's combined export of soluble coffee recorded an increase of 265,000 bags in the first half of coffee year 2021/22 in comparison to the same period in 2020/21

Exports of roasted beans decreased by 2.1% in March 2022 to 78,00 bags from 79,000 bags in March 2021.

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 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.

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							
May-21	134.78	199.02	186.46	140.85	79.68	152.42	69.15
Jun-21	141.03	206.53	192.45	148.12	84.85	156.43	73.16
Jul-21	152.24	218.66	204.29	160.62	94.37	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
% change between Mar-22 and Apr-22							
	1.8%	2.4%	2.7%	1.8%	0.1%	1.3%	-0.1%
Volatility (%)							
Mar-22	8.6%	8.4%	9.0%	11.5%	7.9%	10.4%	7.7%
Apr-22	8.6%	8.0%	9.1%	11.1%	6.1%	10.4%	6.4%
Variation between Mar-22 and Apr-22							
	0.0	-0.4	0.1	-0.4	-1.8	0.0	-1.3

* 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*
May-21	12.56	58.17	119.34	45.61	106.78	61.17	83.27
Jun-21	14.09	58.41	121.68	44.32	107.59	63.27	83.26
Jul-21	14.36	58.03	124.29	43.67	109.93	66.26	87.39
Aug-21	9.16	50.51	130.22	41.35	121.06	79.71	97.20
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	20.60	60.66	170.16	40.06	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	144.81
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
% change between Mar-22 and Apr-22							
	-0.3%	4.3%	3.7%	7.8%	4.4%	3.3%	2.4%

* 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

	Mar-21			March to February		
	Mar-21	Mar-22	% change	2020/21	2021/22	% change
TOTAL	12,652	13,157	4.0%	130,468	129,790	-0.5%
Arabicas	7,767	7,794	0.4%	82,663	80,899	-2.1%
Colombian Milds	1,264	1,303	3.1%	14,236	13,421	-5.7%
Other Milds	2,789	2,656	-4.8%	24,406	27,720	13.6%
Brazilian Naturals	3,714	3,835	3.3%	44,020	39,758	-9.7%
Robustas	4,885	5,362	9.8%	47,806	48,891	2.3%

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

	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
New York	2.21	2.33	2.32	2.31	2.27	2.01	1.72	1.67	1.40	1.08	1.23	1.20
London	2.67	2.53	2.43	2.31	2.09	1.97	1.78	1.66	1.57	1.54	1.63	1.56

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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