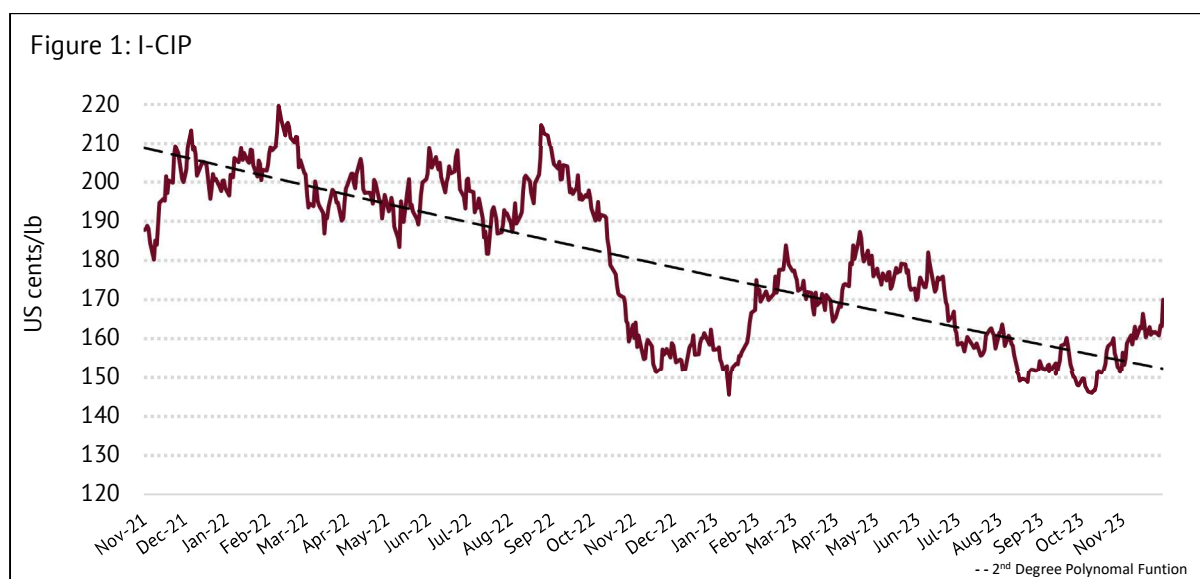


I-CIP bounces back above 160.00 US cents/lb in November 2023

- The ICO Composite Indicator Price (I-CIP) averaged 161.53 US cents/lb in November, a 6.3% increase from October 2023. The I-CIP posted a median value of 161.63 US cents/lb, having fluctuated between 153.32 and 169.99 US cents/lb.
- The I-CIP has remained stable around the 160 US cents/lb mark, with daily price variation declining on average for the October 2022 to November 2023 range, only 0.04%.
- The Colombian Milds and Other Milds increased by 5.3% and 7.2%, to 195.85 and 197.18 US cents/lb, respectively, in November 2023.
- The Colombian Milds–Other Milds differential contracted from 2.02 to –1.33 US cents/lb.
- Arbitrage, as measured between the London and New York Futures markets, widened by 18.4% to 59.81 US cents/lb in November 2023.
- Intra-day volatility of the I-CIP was raised to 8.0% between October and November 2023.
- Global exports of green beans in October 2023 totalled 8.57 million bags, compared with 8.61 million bags in the same month of the previous year, down 0.4%.
- The Brazilian Naturals made a strong start to the new coffee year, with exports increasing by 10.0% to 4.02 million bags from 3.66 million bags in October 2022.
- Exports of the Colombian Milds increased by 0.2% to 1.031 million bags in October 2023 from 1.03 million bags in October 2022.
- Shipments of the Other Milds decreased by 1.8% in October 2023 to 1.59 million bags from 1.62 million bags in the same period last year.
- Of the four coffee groups, the Robustas have recorded the highest contraction in the new coffee year to date, with exports falling by 8.0% to 2.88 million bags from 3.14 million bags.
- In October 2023, South America's exports of all forms of coffee increased by 16.4% to 5.95 million bags.
- Exports of all forms of coffee from Asia & Oceania totalled 2.05 million bags in October 2023, decreasing by 26.7%.
- Exports of all forms of coffee from Africa decreased by 1.0% to 1.07 million bags in October 2023 from 1.08 million bags in October 2022.
- In October 2023, exports of all forms of coffee from Mexico & Central America were up 0.4% to 0.459 million bags as compared with 0.457 million in October 2022.
- Total exports of soluble coffee increased by 16.9% in October 2023 to 0.91 million bags from 0.78 million bags in October 2022.
- Soluble coffee's share in the total exports of all forms of coffee for the year to date was 10.6% in October 2023, up from 9.0% for the same period a year ago.
- Exports of roasted beans were down 20.4% in October 2023 to 49,185 bags, as compared with 61,781 bags in October 2022.

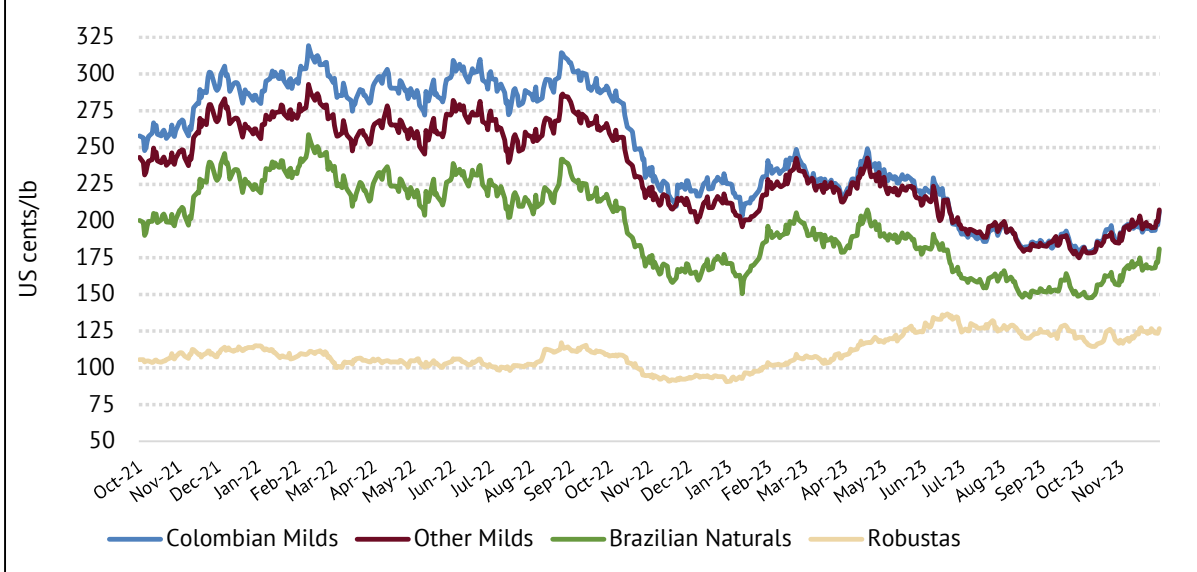
Green Coffee Price

The ICO Composite Indicator Price (I-CIP) averaged 161.53 US cents/lb in November, a 6.3% increase from October 2023. The I-CIP posted a median value of 161.63 US cents/lb, having fluctuated between 153.32 and 169.99 US cents/lb. The November 2023 I-CIP is above the November 2022 I-CIP by 3.1%, with the 12-month rolling average at 163.69 US cents/lb, having ranged in between 151.94 in October 2023 and 178.57 US cents/lb in April 2022. **The I-CIP has remained stable around the 160 US cents/lb mark, with daily price variation declining on average for the October 2022 to November 2023 range, only 0.04%.**



The Colombian Milds and Other Milds increased by 5.3% and 7.2%, to 195.85 and 197.18 US cents/lb, respectively, in November 2023. The Brazilian Naturals presented the strongest growth of 8.8%, reaching an average of 169.25 US cents/lb. However, the Robustas also grew by 3.2% to 122.63 US cents/lb. ICE's New York market was a strong driver of the positive growth, growing by 9.2% to 170.25 US cents/lb whilst the London Futures market expanded by 4.8%, to 110.45 US cents/lb.

Figure 2: ICO Group Indicator Daily Prices



The Colombian Milds–Other Milds differential contracted from 2.02 to 1.33 US cents/lb. The Colombian Milds–Brazilian Naturals differential shrank 12.6% to 26.60 US cents/lb, whilst the Colombian Milds–Robustas differential also expanded 9.1% from October to November 2023, averaging 73.22 US cents/lb. Meanwhile, the Other Milds–Brazilian Naturals differential contracted 1.8%, reaching 27.93 US cents/lb. However, the Other Milds–Robustas and the Brazilian Naturals–Robustas differentials expanded 14.5% and 27.1%, averaging 74.55 and 46.62 US cents/lb, respectively, in November 2023.

Figure 3: Arbitrage between New York and London Futures markets

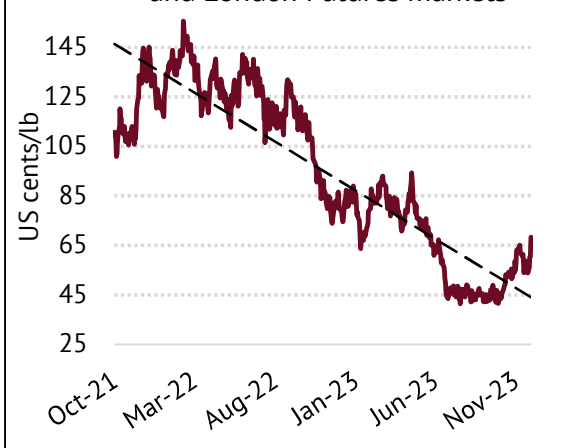
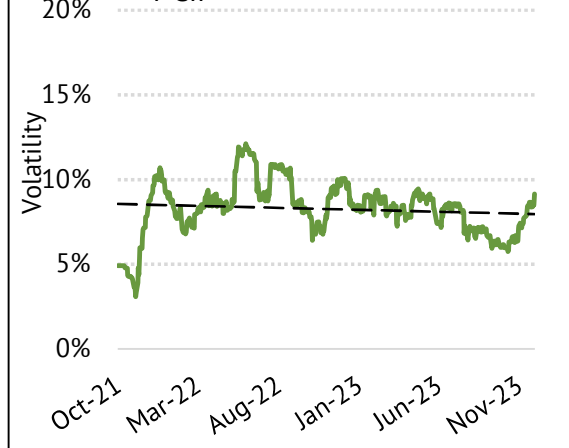


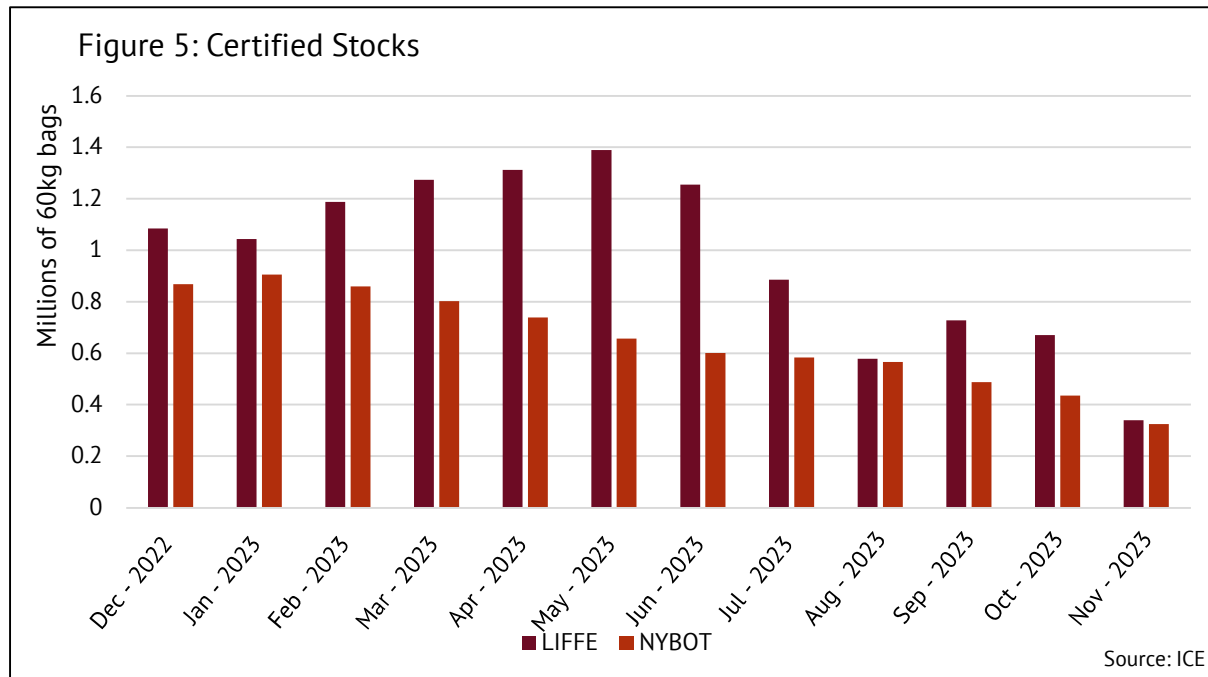
Figure 4: Rolling 30-day volatility of the I-CIP



Arbitrage, as measured between the London and New York Futures markets, widened by 18.4% to 59.81 US cents/lb in November 2023.

Intra-day volatility of the I-CIP was raised to 8.0% between October and November 2023. The Colombian Milds’ and Other Milds’ volatility also increased to 8.7% and 8.8%. Meanwhile, the Brazilian Naturals’ volatility rose by 1.1 percentage points to 9.7% from October to November 2023. The Robustas presented the smallest volatility increase, with a

0.8 percentage point gain, averaging 8.3% for the month of November. The London Futures market's volatility decreased by 2.4 percentage points to 9.1%. Lastly, the New York futures market's volatility moved in tandem to that of London, expanding by 2.4 percentage points and reaching 10.5%.



The New York and London certified stocks continued on their downward trajectory, where London retracted by 49.2% to 0.34 million 60-kg bags, the lowest figure recorded since March 2014. Certified stocks of Arabica coffee reached 0.32 million 60-kg bags, a 24.5% decrease.

Exports by Coffee Groups – Green Beans

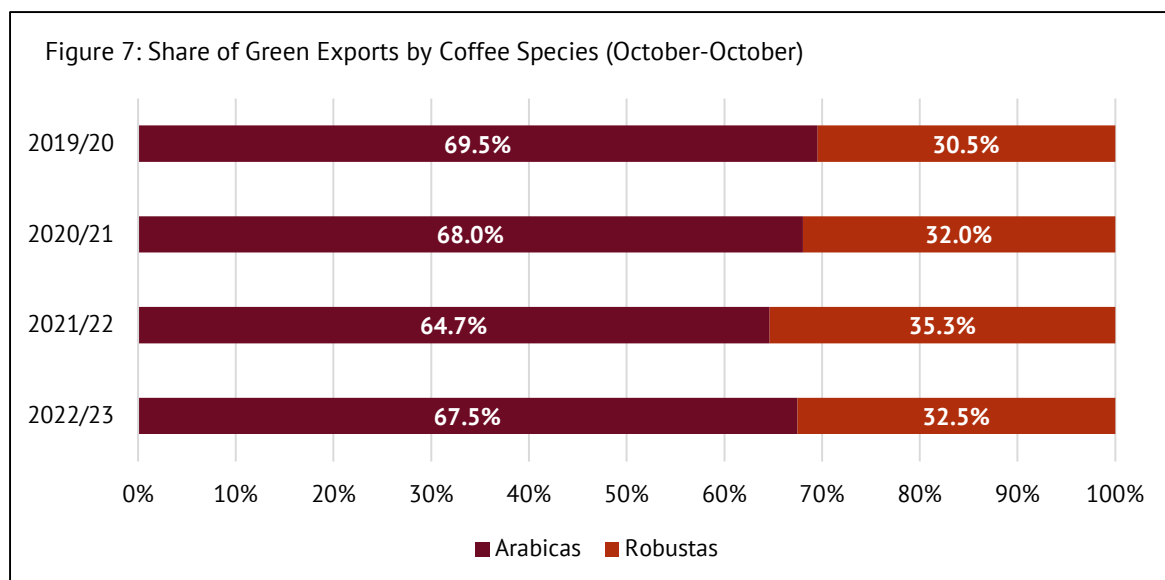
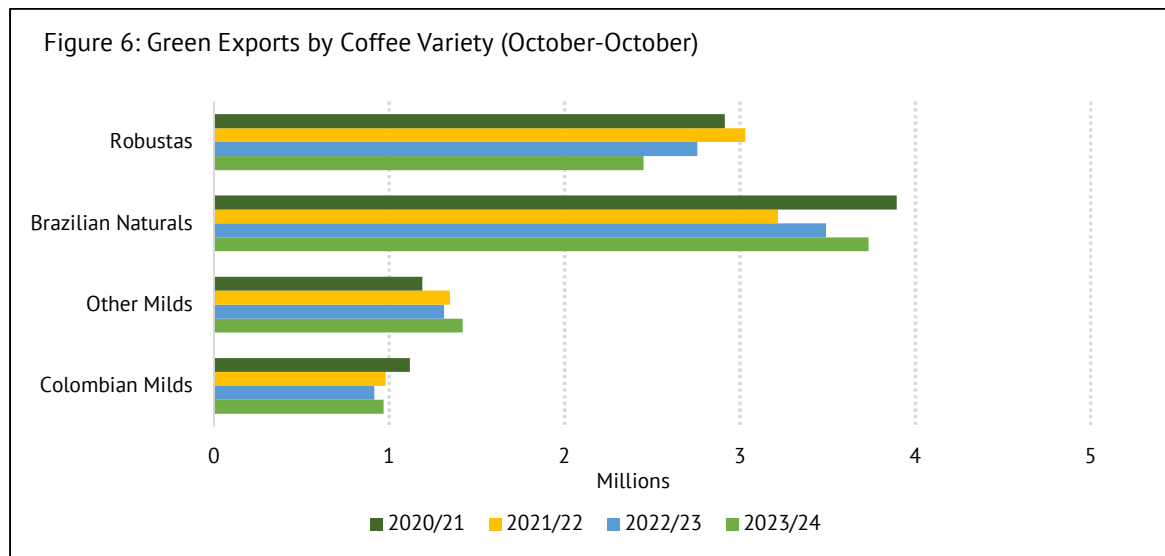
Global exports of green beans in October 2023 totalled 8.57 million bags, compared with 8.61 million bags in the same month of the previous year, down 0.4%. The downturn was driven by the Robustas, the only one of the four groups to start coffee year 2023/24 with negative growth.

The Brazilian Naturals made a strong start to the new coffee year, with exports increasing by 10.0% to 4.02 million bags from 3.66 million bags in October 2022. This is the second-highest volume exported in the month of October on record, just behind the 3.9 million bags shipped in 2020. Brazil was the main driver of this strong start, with the origin's total green bean exports up 23.0% to 4.08 million bags in October 2023, which is also the country's second-highest volume of exports in the month of October to be documented.

Exports of the Colombian Milds increased by 0.2% to 1.031 million bags in October 2023 from 1.03 million bags in October 2022. The near-stagnant start to the new coffee year was due to the conflation of the continued downturn in Colombia, the largest producer and export of the Colombian Milds, and the strong start made by Kenya and Tanzania, the two other origins that make up this coffee group.

Shipments of the Other Milds decreased by 1.8% in October 2023 to 1.59 million bags from 1.62 million bags in the same period last year. The main negative contributions came from Brazil (down 66.2% and 78,719 bags) and Papua New Guinea (down 34.3% and 53,737 bags), while Honduras provided the largest positive contribution (up 28.9% and 138,993 bags).

Of the four coffee groups, the Robustas have recorded the highest contraction in the new coffee year to date, with exports falling by 8.0% to 2.88 million bags from 3.14 million bags. Vietnam, the largest Robusta producer in the world, was the driver of the sharp downturn, with exports of Robusta green beans down 45.2% to 0.69 million bags in October 2023 from 1.26 million bags in October 2022.



Exports by Regions – All Forms of Coffee

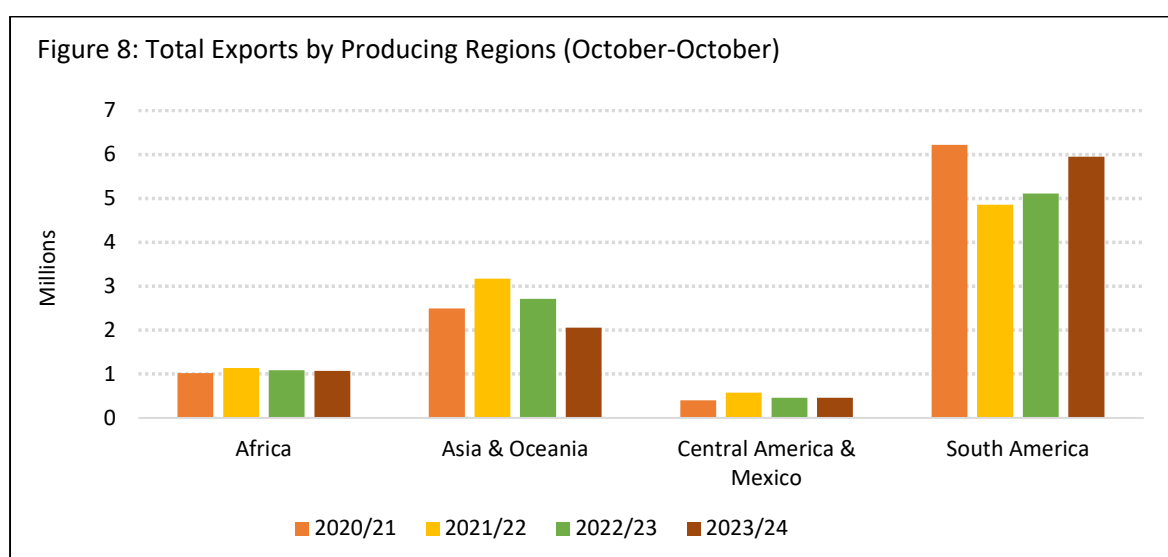
In October 2023, South America’s exports of all forms of coffee increased by 16.4% to 5.95 million bags. Brazil was the main driving force of the double-digit growth of the region,

having shipped 4.37 million bags in October 2023, a jump of 21.7%. Peru provided added support, with its exports increasing by 28.9% to 0.62 million bags from 0.48 million bags in October 2022.

Exports of all forms of coffee from Asia & Oceania totalled 2.05 million bags in October 2023, decreasing by 26.7%. Vietnam, the world’s second-largest producer and exporter of coffee, was the main driver of the region’s sharp downturn, with total exports down 44.7% to 0.75 million bags in October 2023 from 1.36 million bags in October 2022. This was the lowest volume of exports since the 0.7 million bags shipped in October 2008. A shortage of exportable materials within Vietnam, due to the lower-than-expected harvest in coffee year 2022/23, a delay in supply from the current coffee year’s harvest and a very strong export performance in the first nine months of the previous coffee year, explain the sharp downturn.

Exports of all forms of coffee from Africa decreased by 1.0% to 1.07 million bags in October 2023 from 1.08 million bags in October 2022. Ethiopia (–13.5%), Rwanda (–34.8%) and Cameroon (–57.4%) were the three main origins making a negative contribution to the region’s exports, in absolute terms, while Burundi (200.0%), Côte d’Ivoire (40.9%), Kenya (31.4%) and Uganda (2.8%) were the main origins making positive contributions. According to the Uganda Coffee Development Authority, the promising export performance in October 2023 was due to adequate supply from a good crop harvest in the South-Western region and the prevailing good prices on the global scene which prompted exporters to release their stocks. In Ethiopia, contract disputes arising out of a mismatch between local purchasing prices and the global market prices, first reported in the middle of coffee year 2022/23, continue to negatively impact export volume in the new coffee year.

In October 2023, exports of all forms of coffee from Mexico & Central America were up 0.4% to 0.459 million bags as compared with 0.457 million in October 2022. The performances of individual origins belied the less-than-dynamic growth of the region, with very strong negative and positive growth rates registered in October: Costa Rica (212.7%), El Salvador (69.6%), Guatemala (18.0%) and Nicaragua (15.6%) on the expansion side against the decreasing Dominican Republic (–80.1%), Honduras (–39.2%) and Mexico (–11.1%).

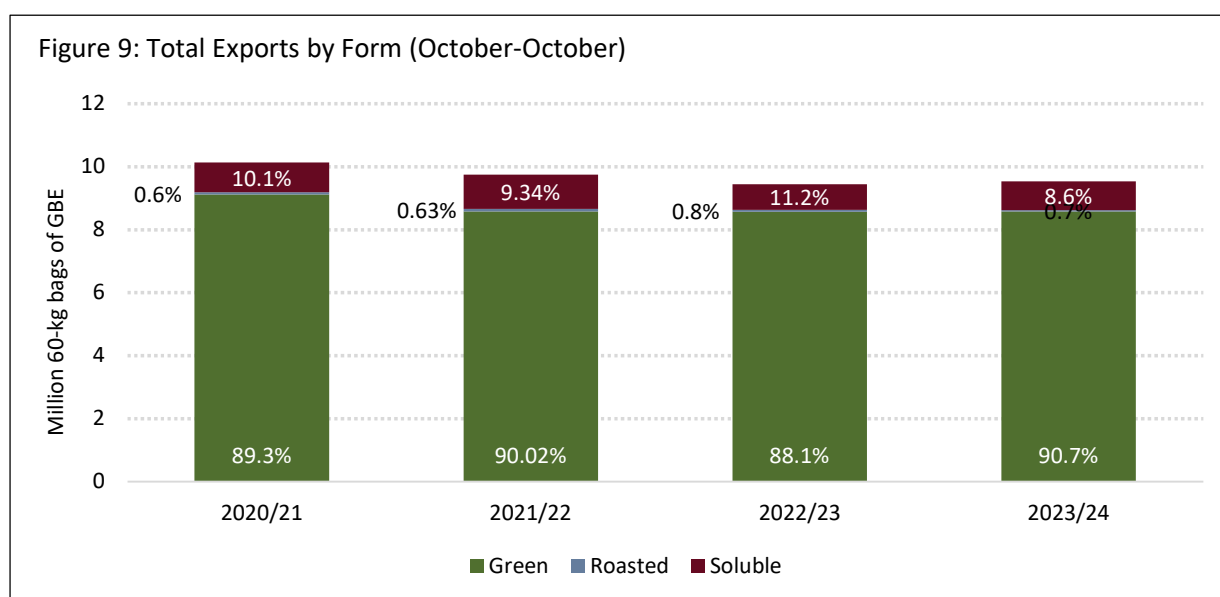


Exports of Coffee by Forms

Total exports of soluble coffee increased by 16.9% in October 2023 to 0.91 million bags from 0.78 million bags in October 2022.

Soluble coffee's share in the total exports of all forms of coffee for the year to date was 10.6% in October 2023, up from 9.0% for the same period a year ago. Brazil is the largest exporter of soluble coffee, having shipped 0.28 million bags in October 2023.

Exports of roasted beans were down 20.4% in October 2023 to 49,185 bags, as compared with 61,781 bags in October 2022.



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 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%, 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							
Dec-22	157.19	224.12	210.24	169.00	93.76	166.21	83.95
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
% change between Oct-23 and Nov-23							
	6.3%	5.3%	7.2%	8.8%	3.2%	9.2%	4.8%
Volatility (%)							
Oct-23	6.3%	6.8%	7.6%	8.6%	7.5%	8.1%	6.7%
Nov-23	8.0%	8.7%	8.8%	9.7%	8.3%	10.5%	9.1%
Variation between Oct-23 and Nov-23							
	1.7	1.9	1.2	1.1	0.8	2.4	2.4

* 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*
Sep-22	26.60	74.50	182.74	47.90	156.13	108.23	117.74
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
% change between Oct-23 and Nov-23							
	-165.8%	-12.6%	9.1%	-1.8%	14.5%	27.1%	18.4%

* 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

	Oct-22	Oct-23	% change	Year to Date Coffee Year		
				2022/23	2023/24	% change
TOTAL	9,446	9,530	0.9%	9,446	9,530	0.9%
Arabicas	6,310	6,647	5.3%	6,310	6,647	5.3%
<i>Colombian Milds</i>	1,030	1,032	0.2%	1,030	1,032	0.2%
<i>Other Milds</i>	1,620	1,591	-1.8%	1,620	1,591	-1.8%
<i>Brazilian Naturals</i>	3,660	4,024	10.0%	3,660	4,024	10.0%
Robustas	3,136	2,883	-8.0%	3,136	2,883	-8.0%

In thousand 60-kg bags

Monthly trade statistics are available upon subscription

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

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
New York	0.87	0.91	0.86	0.80	0.74	0.66	0.60	0.58	0.57	0.49	0.44	0.32
London	1.08	1.04	1.19	1.27	1.31	1.39	1.25	0.89	0.58	0.73	0.67	0.34

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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