



September 2020 coffee exports rise, but 2019/20 shipments fell 4.9%

Figure 1: ICO composite indicator daily prices



nearly reversing the gains made in the last two months. The daily composite indicator continued the descent that began in mid-September, going from a high of 107.94 US cents/lb on 9 October 2020 to a low of 103.3 US cents/lb on 21 October. In the last seven days of the month

it ranged between 104.49 US cents/lb and 106.5 US cents/lb. Increased exports in September, signalling availability of supplies at the end of the crop year, and the larger crop from Brazil are weighing on prices.

The largest decrease occurred in the average price for Brazilian Naturals which fell by 11.8% to 100.37 US cents/lb. The average price for Other Milds decreased by 8.7% to 152.06 US cents/lb while the price for Colombian Milds fell by 8.4% to 154.28 US cents/lb. As a result, the differential between Colombia Milds and Other Milds grew by 23.3% to an average of 2.22 US cents/lb as the supply of Colombian Milds became relatively stiff. (1) (6.1 cr

Arabica output is estimated to decrease by 5% to 96.05 million bags while Robusta output is expected to rise by 1.1% to 72.78 million bags. The decrease in output is attributed primarily to the reduction in Brazil as it was an off-year for its Arabica production. Additionally, the ongoing low prices as well as the effects of covid-19 on labour supply have also contributed to the lower output.

following an increase of 4.6% in 2018/19 to 169.11 million bags. Demand is estimated downwards due to ongoing pressure from a global economic downturn and limited recovery in out-of-home consumption as social distancing measures remain in place globally.

Although both production and consumption decreased,

The ICO composite indicator reached 107.25 US cents/lb in coffee year 2019/20. This compares to an average of 100.47 US cents/lb in 2018/19 when the surplus reached nearly 4 million bags. Further recovery in prices over the next few months will likely be limited by this surplus and the prospects of more coffee reaching the market, particularly Brazil's 2020/21 crop, an on-year of the biennial Arabica production cycle.

Shipments of Arabica fell by 4.1% to 6.17 million bags, but Robusta exports offset this fall, rising by 9.6% to 4 million bags. Colombian Milds recorded the largest decrease in September, falling by 12.5% to

smallest decrease, declining by 1.4% to 48.68 million bags. Shipments of Other Milds fell by 9.8% to 25.15 million bags, Colombian Milds by 7.2% to 13.88 million bags and Brazilian Naturals by 4.9% to 39.18 million bags. The total value of coffee exports fell by 3.6% to 17.87 billion USD compared to coffee year 2018/19 while the average unit value per pound of green bean equivalent decreased to 148.66 US cents compared to 177.50 US cents in 2018/19.

Shipments from four of the five largest green Arabica exporters, which represent 78% of total green Arabica exports, fell in 2019/20. Brazil's exports of green Arabica declined by 8.1% to 31.84 million bags, Colombia's by 7.2% to 11.59 million bags, and Honduras' by 19.1% to 5.51 million bags. However, Ethiopia's shipments of green Arabica rose by 1.3% to 3.85 million bags while Peru's exports decreased by 9.5% to 3.63 million bags. The total value of green Arabica exports fell by 2.8% to 12 billion USD from 12.35 billion USD in 2018/19 and 13.48 billion USD in 2017/18. The average unit value grew by 5.3% to 126.07 US cents/lb.

due largely to the decrease in exports from Viet Nam, which accounts for 56% of all green Robusta exports. Viet

Colombia is the largest exporter of roasted coffee, and its shipments grew by 15% to 198,000 bags. However, Mexico's exports fell by 12.7% to 194,000 bags. Indonesia's roasted shipments more than doubled to 48,500 bags while Brazil's shipments fell by 11.2% to 23,000 bags. While the volume of roasted coffee exports declined in 2019/20, the total value rose by 7.8% to 176.36 million USD. Additionally, the average unit value of roasted coffee increased by 26.8% to 199.18 US cents/lb.





