



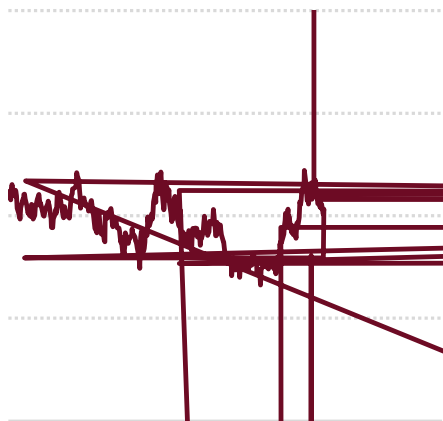
Prices decline further in February

Figure 1: ICO composite indicator daily prices



The daily price of the ICO Composite ranged between 97.73 US cents/lb on 4 February and 106.34 US cents/lb on 28 February. Fears over the effect Covid-19 might have on demand, particularly for out-of-home consumption, as well as ample supplies for the remainder of the year, given that Brazil's 2020/21 crop is in the on-year of its biennial Arabica cycle, exerted downward pressure on the market.

, although this was relatively more marked in the case of Brazilian Naturals, which decreased by 7.3% to 102.62 US cents/lb. Other Milds fell by 4.7% to 135.5 US cents/lb, while Colombian Milds decreased 0.7% to 146.43 US cents/lb. As a result, the differential between Colombian Milds and Other Milds widened in February 2020, more than doubling to 10.93 US cents/lb. While sufficient



As a result, the spread between Arabica and Robusta coffees, as measured on the New York and London futures markets, decreased to 47.67 US cents/lb, for the second consecutive month. Certified Arabica stocks decreased by 0.5% month-on-month to 2.47 million bags while certified Robusta stocks rose by 4.6% to 2.57 million bags in January 2020.

The volatility of all indicators fell in February 2020. Among the Arabica group indicators, Brazilian Naturals fell by 3.3 percentage points to 10.5%, Other Milds by 3.1 percentage points to 8% and Colombian Milds by 2.2 percentage points to 8.5%. The Robustas group indicator volatility was 6.8%, a decrease of 1.3 percentage points from January 2020.

Exports in the first four months of coffee year 2019/20 decreased by 5.8% to 39.53 million bags compared to 41.95 million bags in 2018/19. During this period, shipments of Brazilian Naturals declined by 11.8% to 13.28 million bags and Other Milds decreased by 6.6% to 6.46 million bags. However, exports of Colombian Milds have increased by 0.6% to 5.27 million bags in October 2019 to January 2020. Robusta shipments fell 1.4% to 14.51 million bags.

Nic



Feb-19	100.67	127.93	128.45	100.06	78.65	104.12	70.52
Mar-19	97.50	125.23	123.89	95.81	76.96	98.84	68.61
Apr-19	94.42	124.42	121.13	92.47	73.28	95.31	65.06
May-19	93.33	124.40	120.55	91.95	71.12	94.86	62.45
Jun-19	99.97	133.49	129.73	100.69	74.02	104.44	65.41
Jul-19	103.01	137.63	135.47	105.43	73.93	109.01	64.83
Aug-19	96.07	129.20	126.23	95.85	70.78	99.87	60.90
Sep-19	97.74	131.90	128.89	98.73	70.64	102.81	60.31
Oct-19	97.35	132.09	126.99	98.10	68.63	102.41	58.34
Nov-19	107.23	146.12	140.98	109.94	73.28	113.31	63.00
Dec-19	117.37	161.50	157.11	126.36	73.22	131.44	63.87
Jan-20	106.89	147.52	142.19	110.73	70.55	117.05	61.03
Feb-20	102.00	146.43	135.50	102.62	68.07	106.69	59.02
	-4.6%	-0.7%	-4.7%	-7.3%	-3.5%	-8.9%	-3.3%
Feb-20	7.8%	8.5%	8.0%	10.5%	6.8%	10.5%	7.4%
Jan-20	10.6%	10.7%	11.1%	13.8%	8.1%	13.4%	9.5%
	-2.8	-2.2	-3.1	-3.3	-1.3	-2.9	-2.1

* Average price for 2nd and 3rd positions



Arabica	91 181	100 776	97 290	100 317	96 365
Robusta	63 815	57 849			
Africa	15 756	16 729			
Asia & Oceania	49 484	45 652			
Mexico & Central America	17 106	20 322			
South America	72 651	75 921			

Exporting countries	47 548	48 488	49 793		
Importing countries (Coffee Years)	107 943	110 154	112 763		
Africa	10 951	11 130	11 527		
Asia & Oceania	32 863	34 573	35 697		
Mexico & Central America	5 295	5 226	5 321		
Europe	52 147	52 045	53 148		
North America	28 934	29 559	29 941		
South America	25 299	26 111	26 922		

In thousand 60-kg bags

*preliminary estimates



Arabicas	6 867	6 531	-4.9%	27 224	25 018	-8.1%
			-8.1%			0.6%
			0.9%			-6.6%
			-7.0%			-11.8%
Robustas			-12.0%			-1.4%

In thousand 60-kg bags

	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
New York	2.84	2.81	2.73	2.70	2.70	2.66	2.60	2.55	2.42	2.32	2.49	2.47
London	1.97	1.98	2.11	2.18	2.47	2.60	2.62	2.69	2.64	2.54	2.45	2.57

In million 60-kg bags



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 2014/15 coffee year began on 1 October 2014 and ended 30 September 2015. However, for producers with crop years commencing on 1 April, the crop year production occurs across two coffee years. Brazil's 2014/15 crop year began on 1 April 2014 and finished 31 March 2015, covering the first half of coffee year 2014/15. However, Brazil's 2015/16 crop year commenced 1 April 2015 and ended 31 March 2016, covering the latter half of coffee year 2014/15. In order to bring the crop year production into a single coffee year, the Secretariat would allocate a portion of the April-March 2014/15 crop year production and a portion of the April-March 2015/16 production into 2014/15 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.
