


The logo for ED&F MAN, featuring the company name in white, bold, sans-serif font on a green rectangular background. Below the name, 'EST. 1783' is written in a smaller, white, sans-serif font.

**ED&F
MAN**
EST. 1783

Coffee

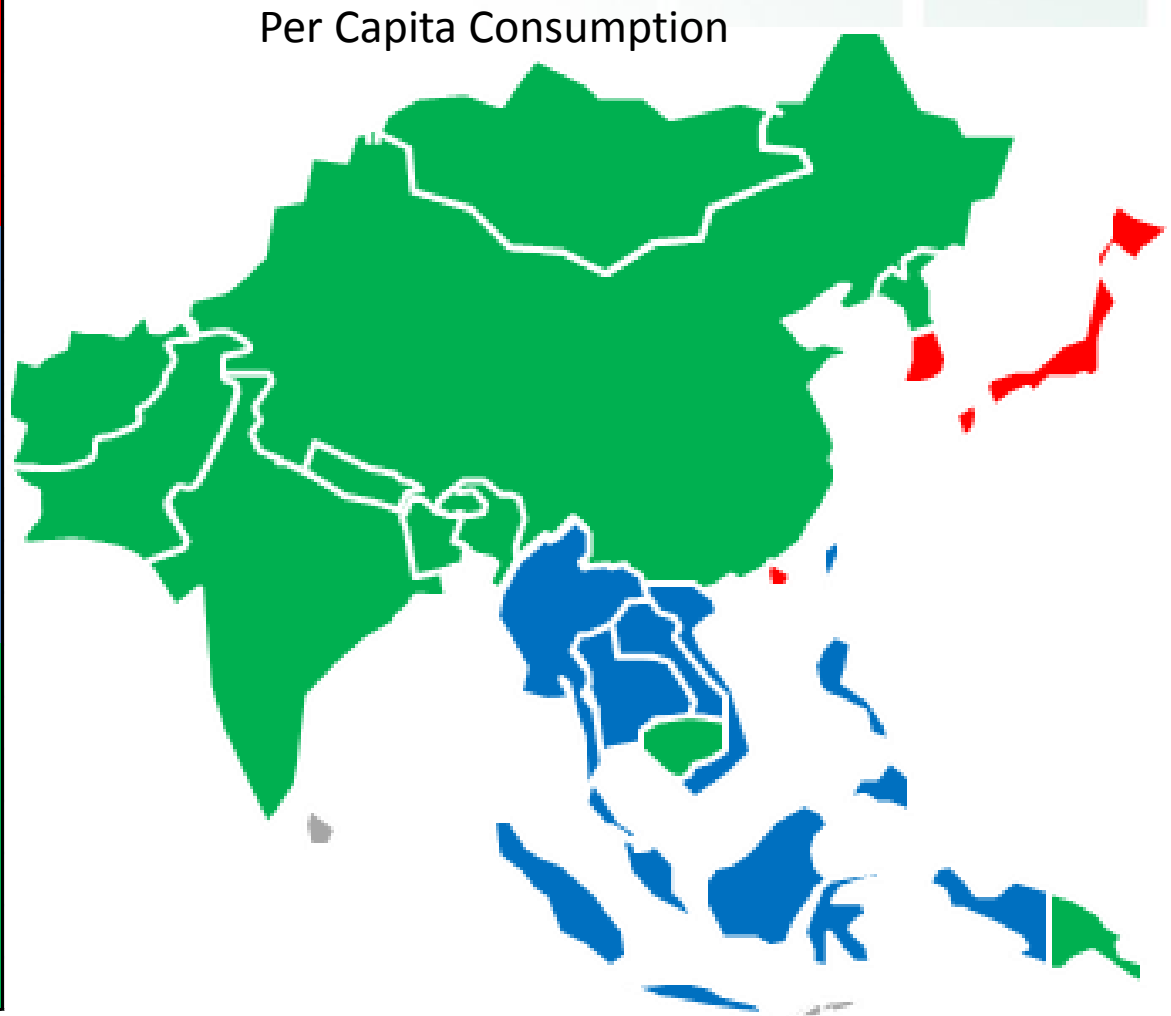
The background of the entire slide is a close-up, high-resolution photograph of dark brown, roasted coffee beans. The beans are piled together, showing their characteristic shape and the crease down the center. The lighting is soft, highlighting the texture and sheen of the beans.

**The Dragon in the Room
November 14, 2015**

Coffee in Asia-Per Capita Demand

Growth in coffee consumption has been strong on solid economic expansion.

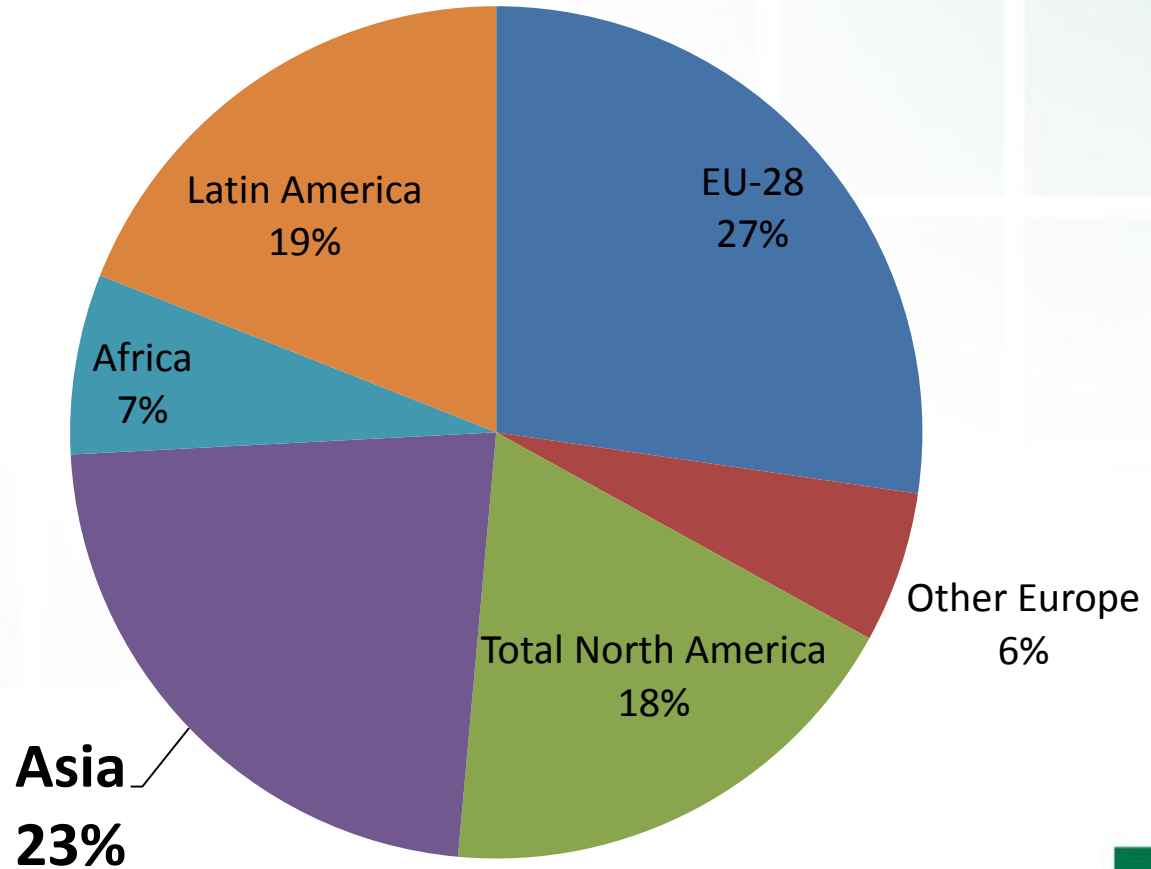
Per Capita Demand	KG
Japan	3.80
Costa Rica	3.66
Hong Kong	2.46
South Korea	2.35
Singapore	2.16
Vietnam	1.97
Thailand	1.67
Malaysia	1.64
Laos	1.63
Philippines	1.53
Taiwan	1.34
Indonesia	1.14
Burma	1.00
India	0.10
Sri Lanka	0.08
China	0.06
Pakistan	0.01
Nepal	0.01
Afghanistan	0.00
Bangladesh	0.00



Coffee in Asia – Demand Share

The region now accounts for nearly a fourth of global coffee consumption.

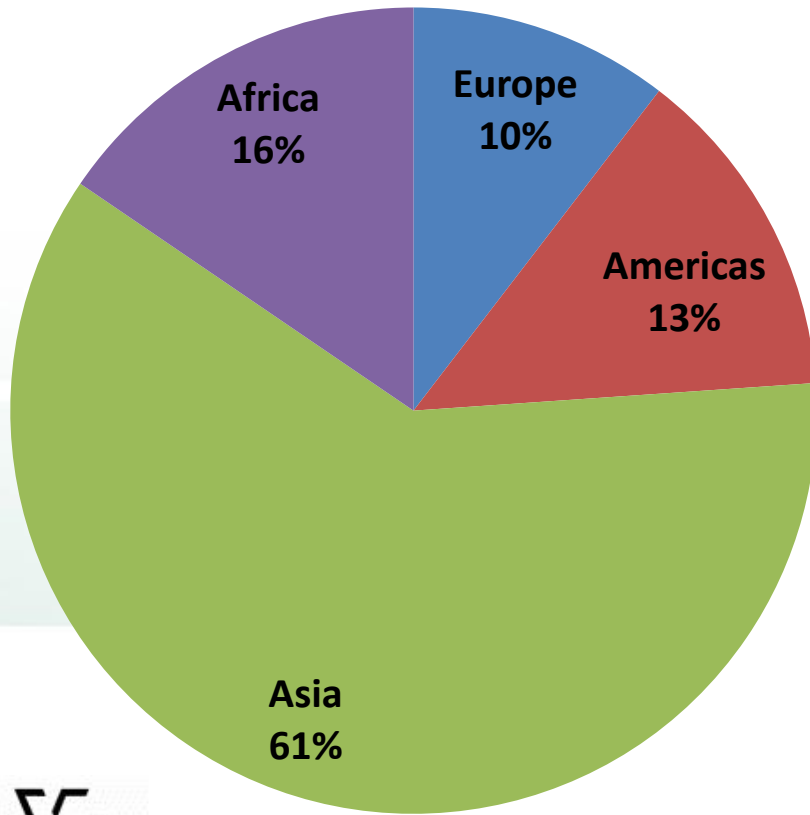
Share of Coffee Consumption - Four Year Average



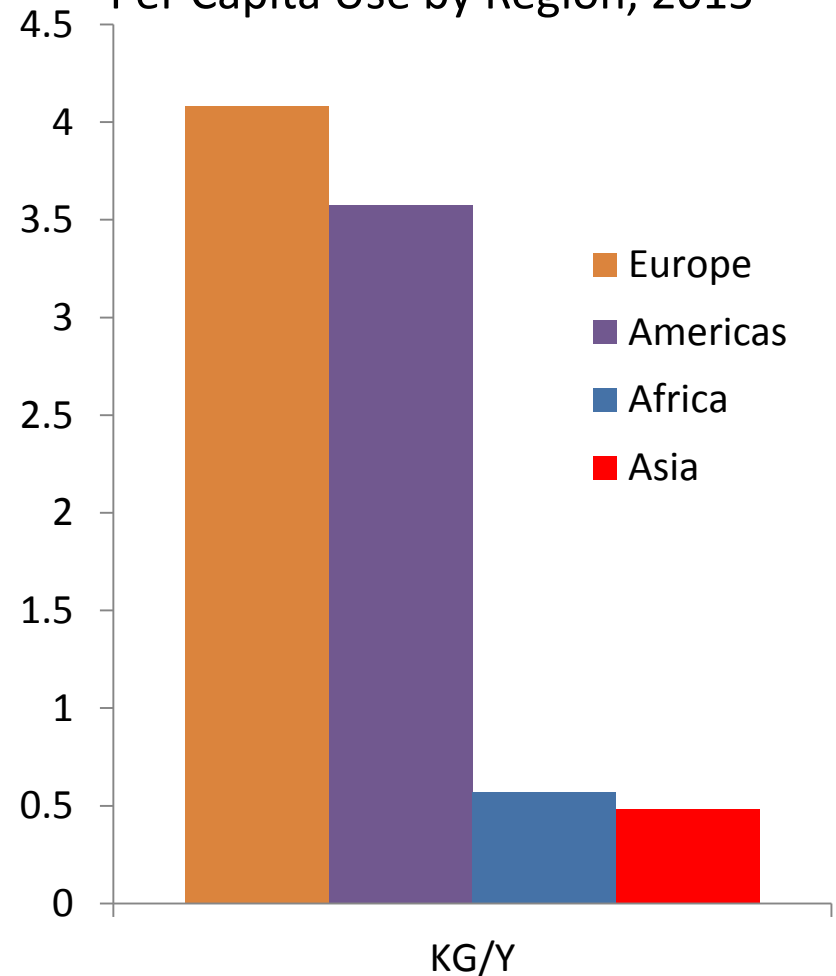
Coffee in Asia - Demand

However relative to the population, the consumption is still very low.

Share of Global Population



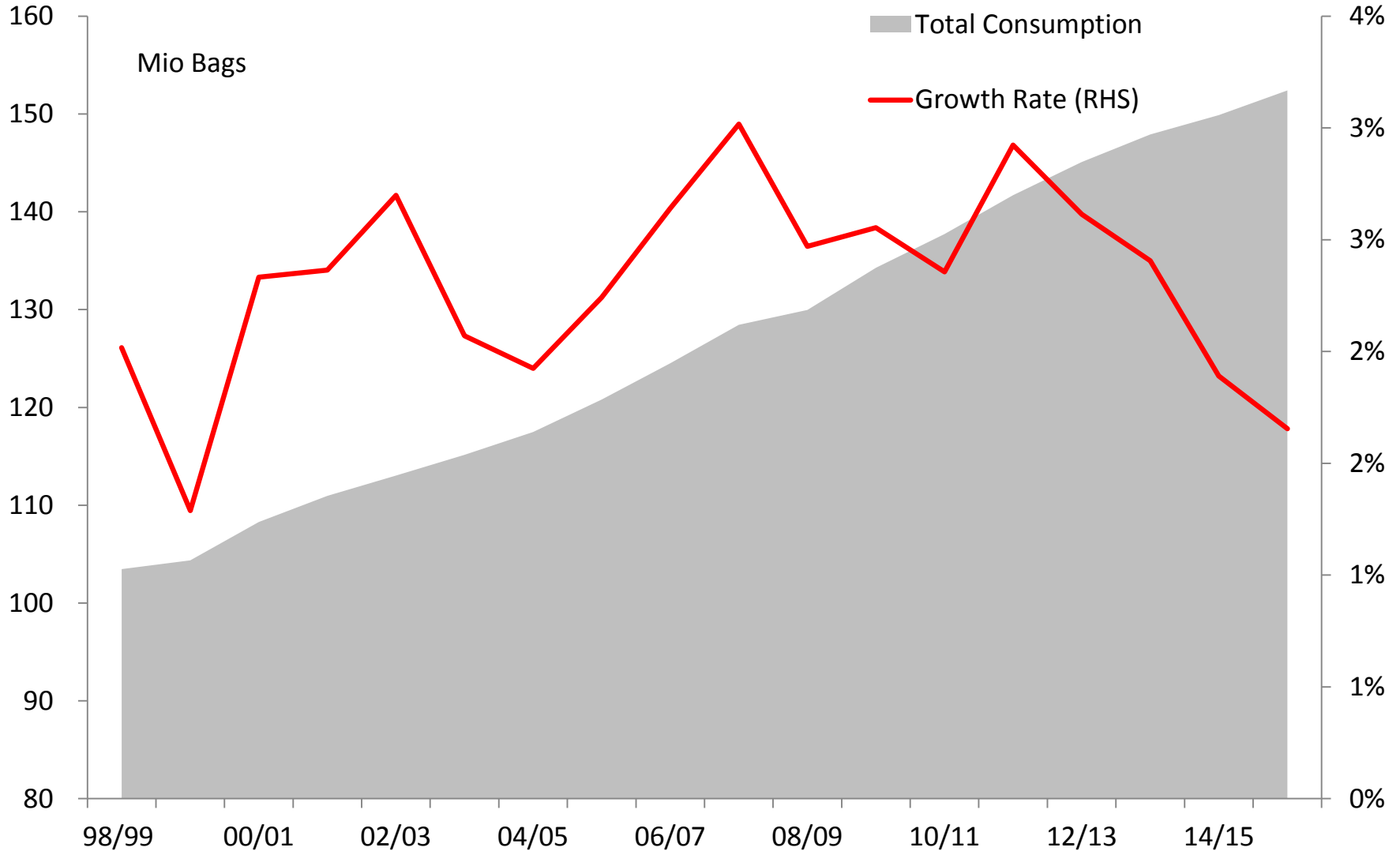
Per Capita Use by Region, 2015



Global Demand

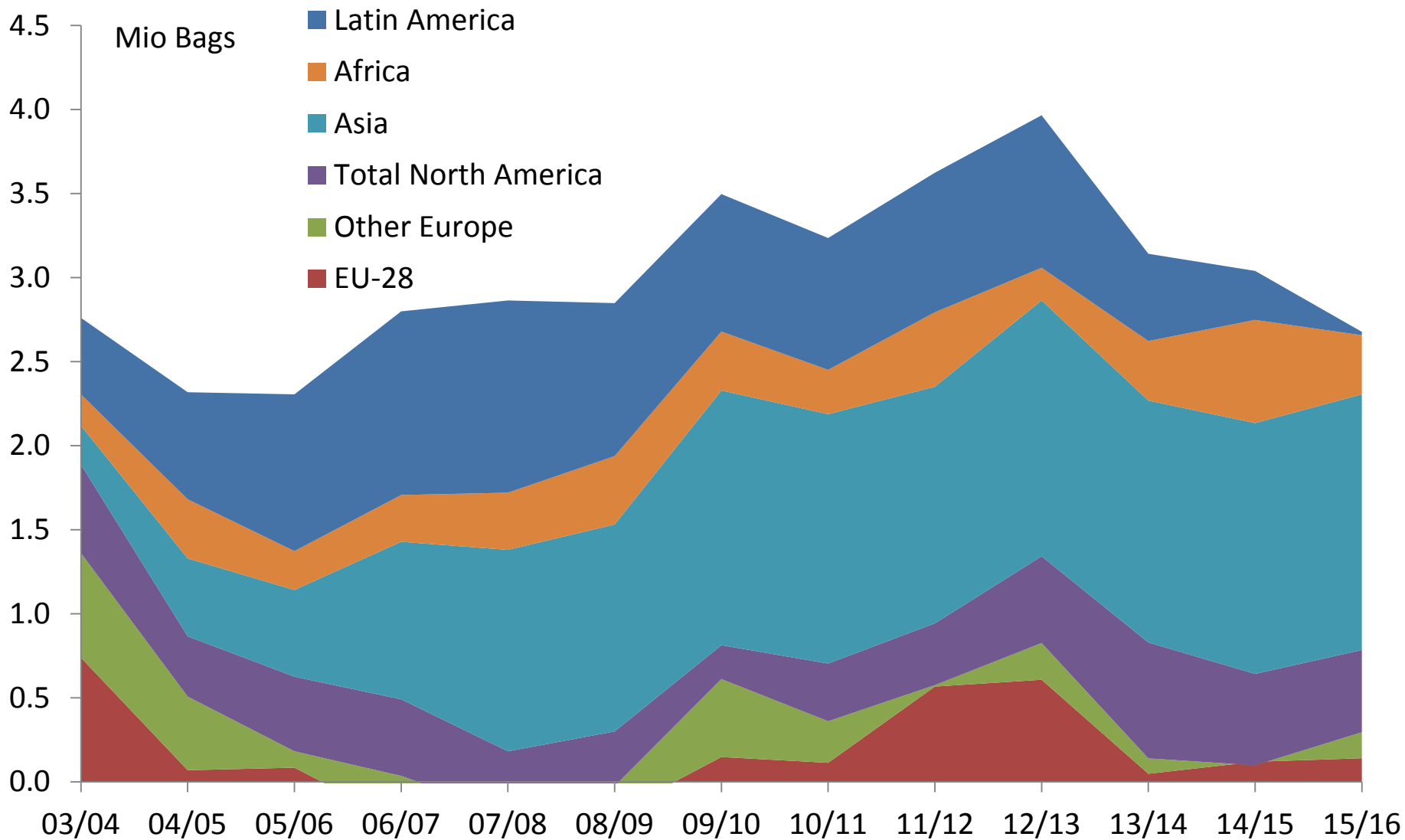
The global rate of demand growth has averaged 2.3% since 98/99.

Next Decade	Mio Bags
With 2% growth	29.0
High 2.5%	37.9
Low 1.5%	21.9



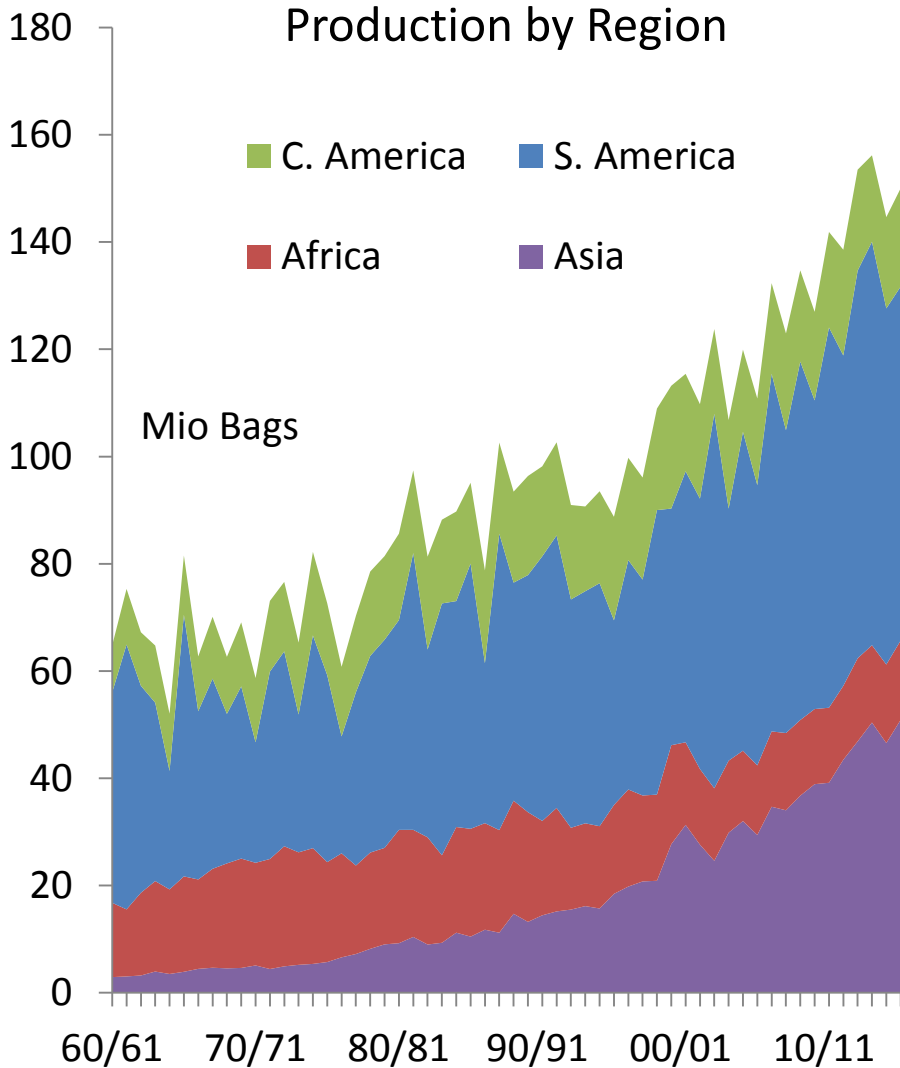
Growth in Demand

Incremental global demand growth on an annual basis. Asian share of growth has increased from 6% 15 years ago to nearly 60% in 15/16.



Asian Coffee - Production

The production of coffee has also increased rapidly in Asia.

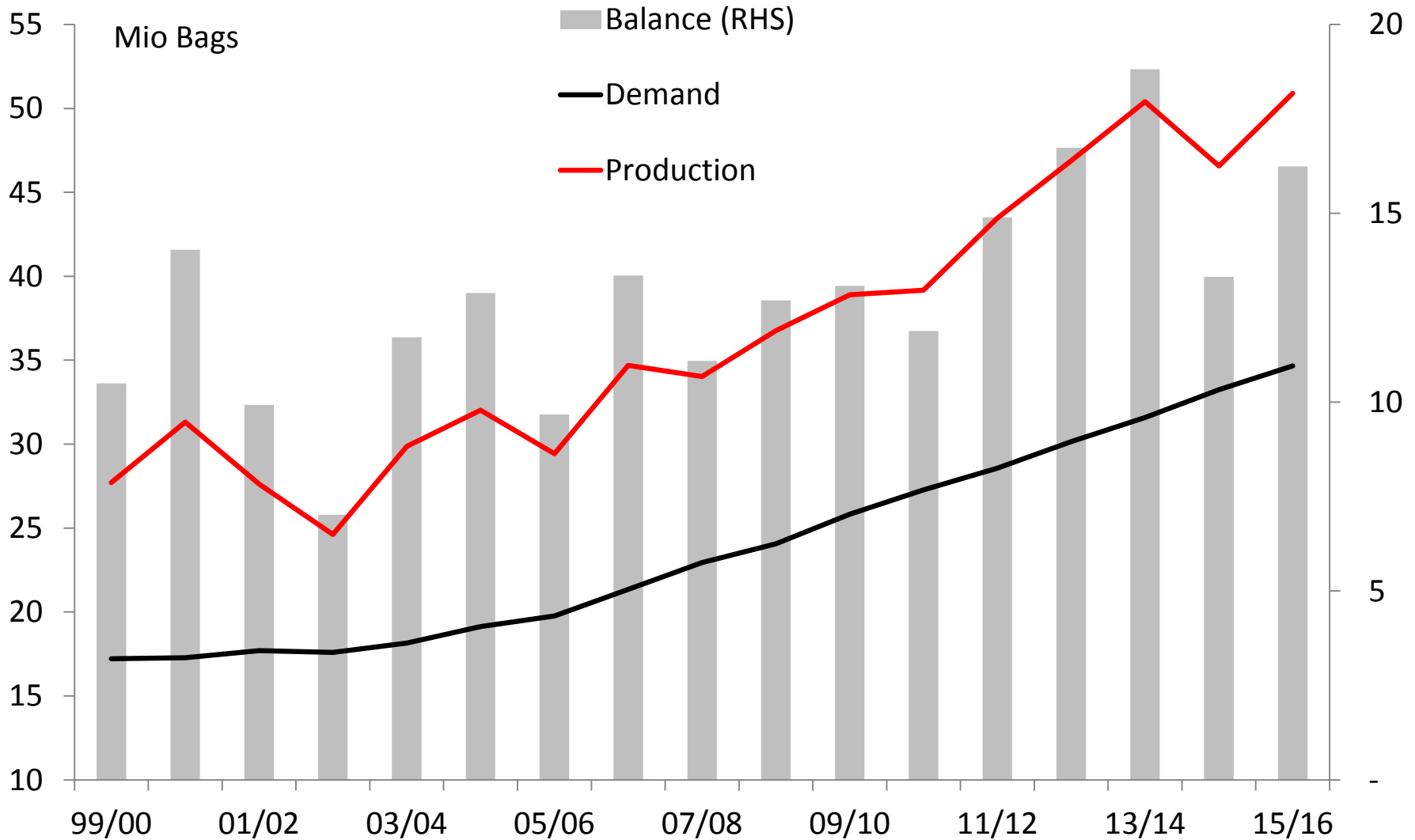


Coffee Producers



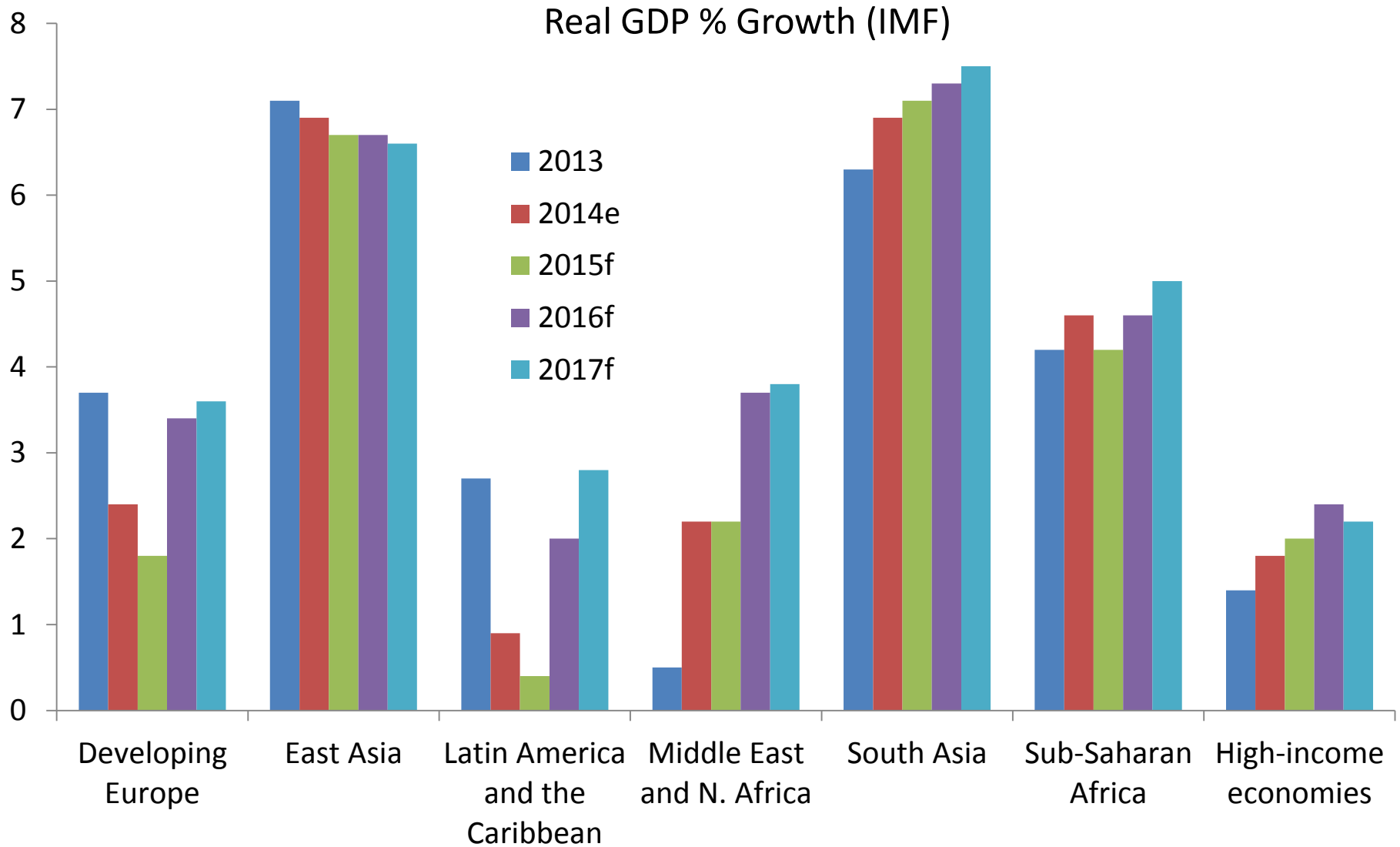
Asian Coffee Balance

A consistent surplus (based in Robusta), and one that is trending higher despite the growing demand.



Asian Economic Growth

Asia will remain the growth engine for the global economy



China

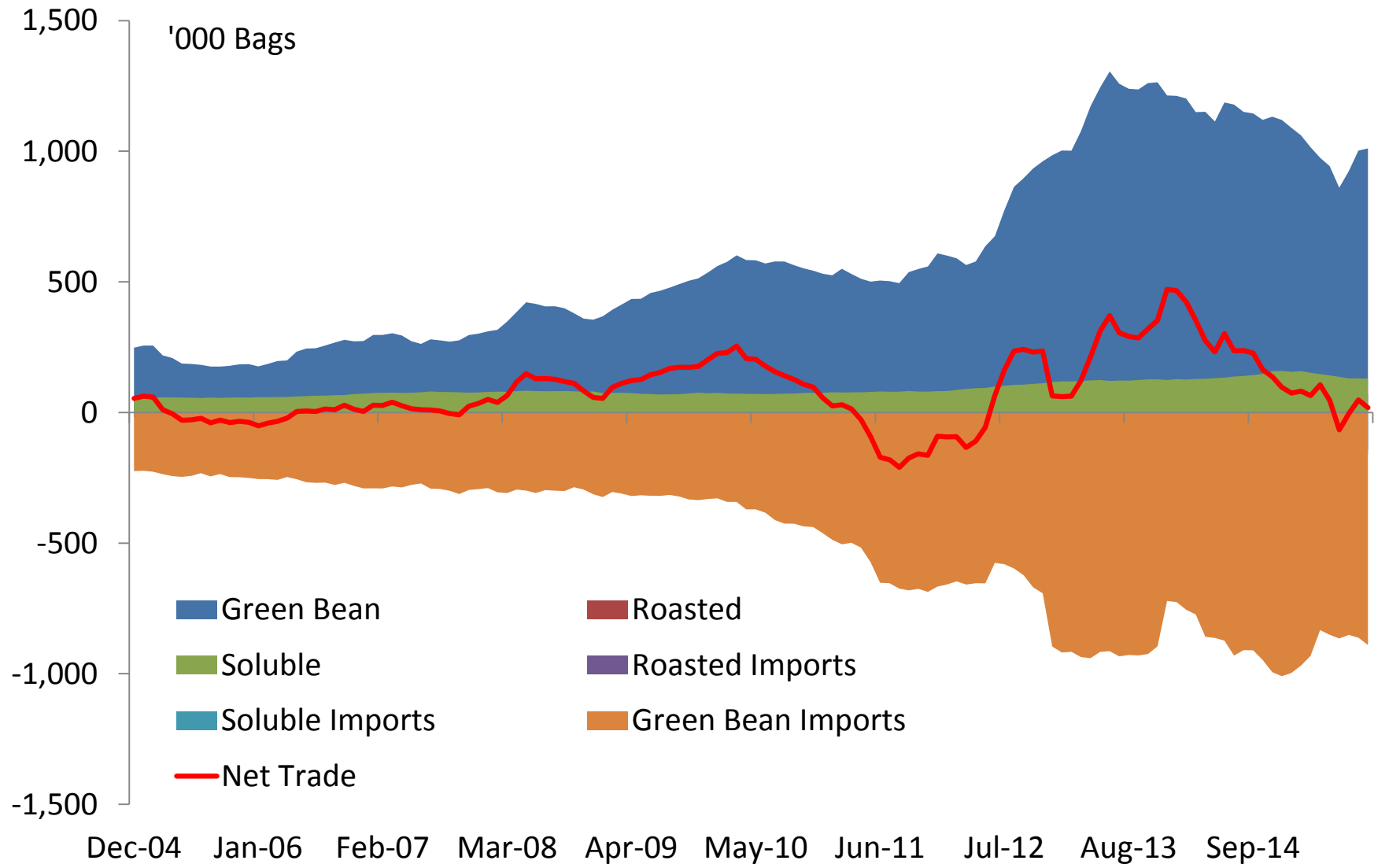
The world's largest country and second largest economy is 15th in coffee production, and in absolute terms is 21th in consumption.



Map; ICO

China - Trade

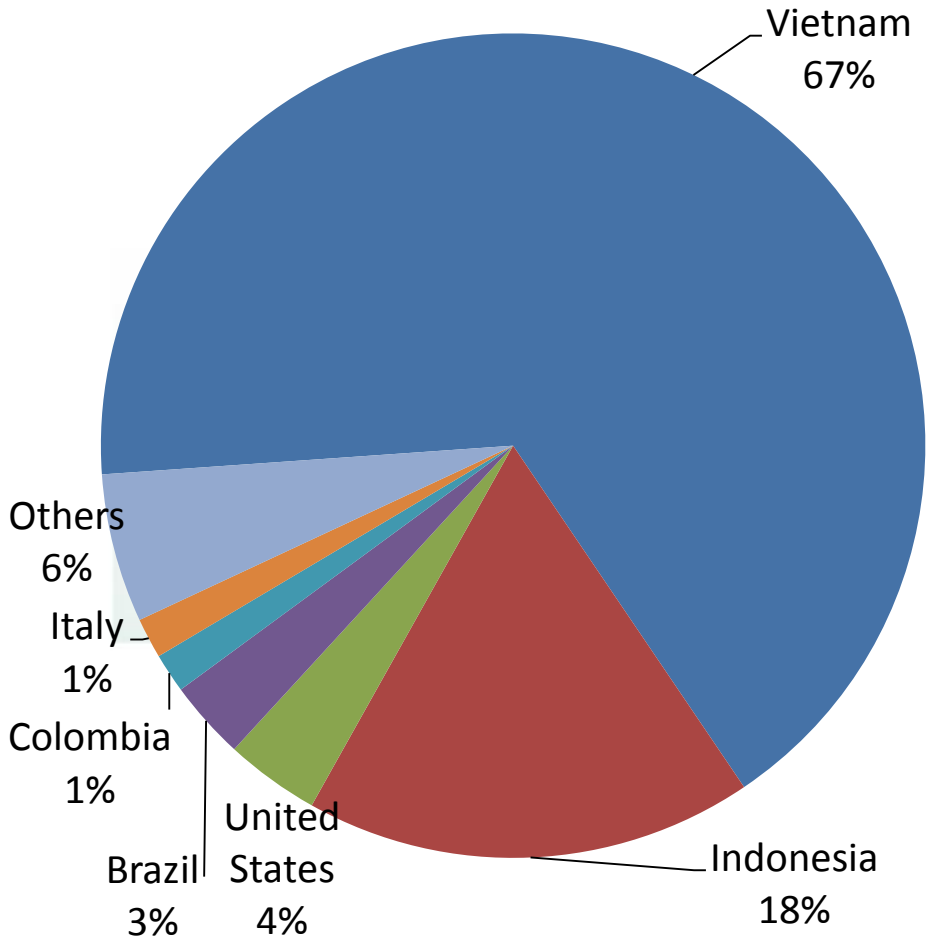
In the past five years mainland trade is up, 125% for imports and 85% for exports. .



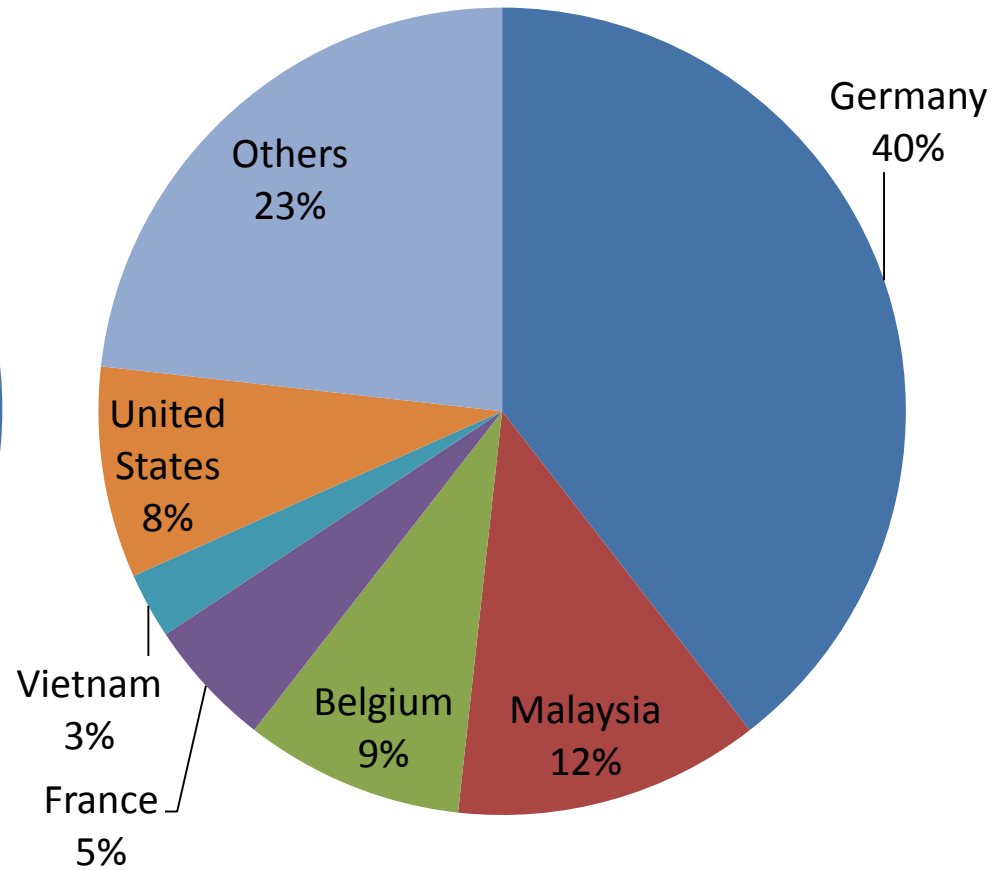
China - Trade

Import partners suggest Robusta makes up the majority.

Imports

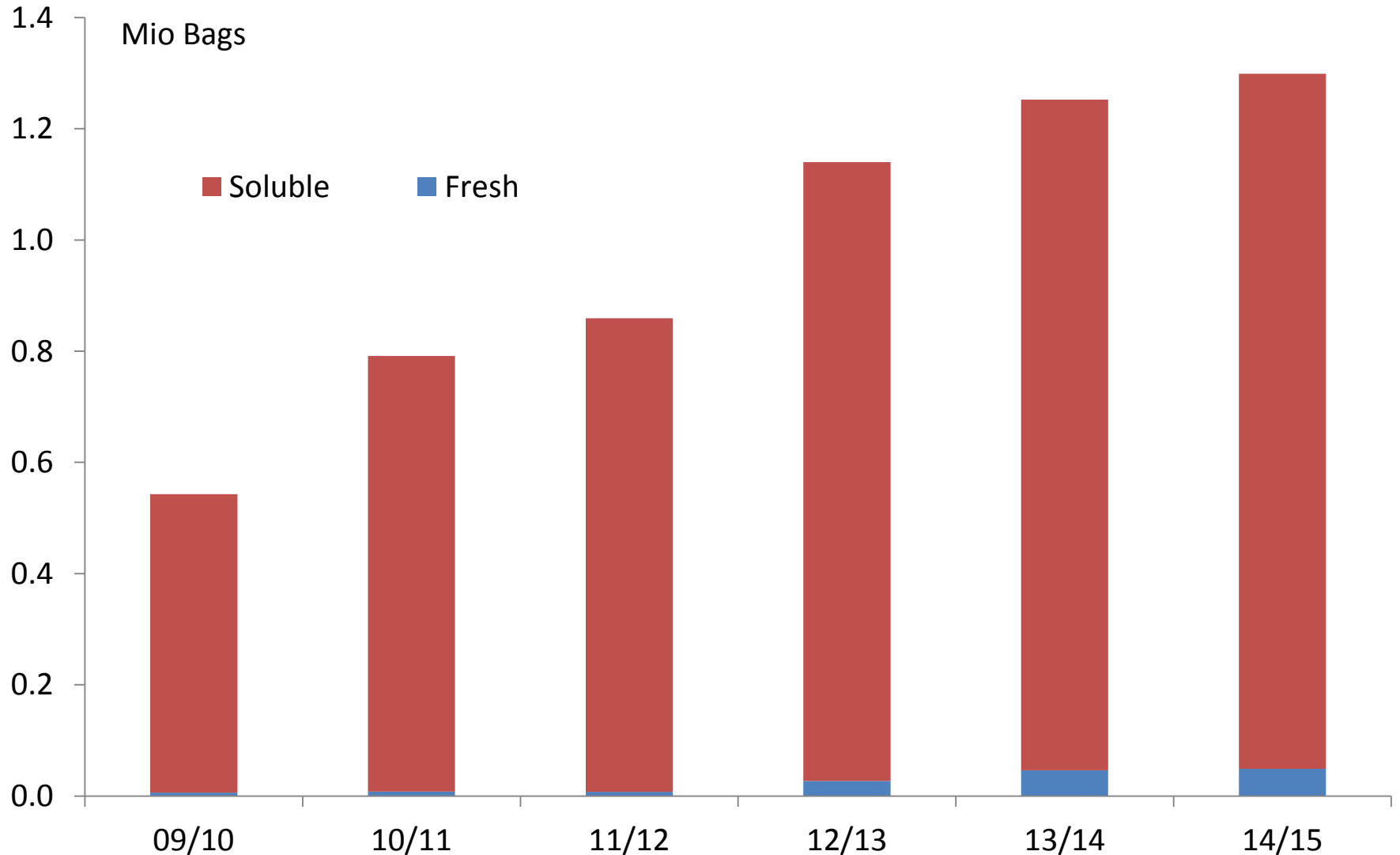


Exports



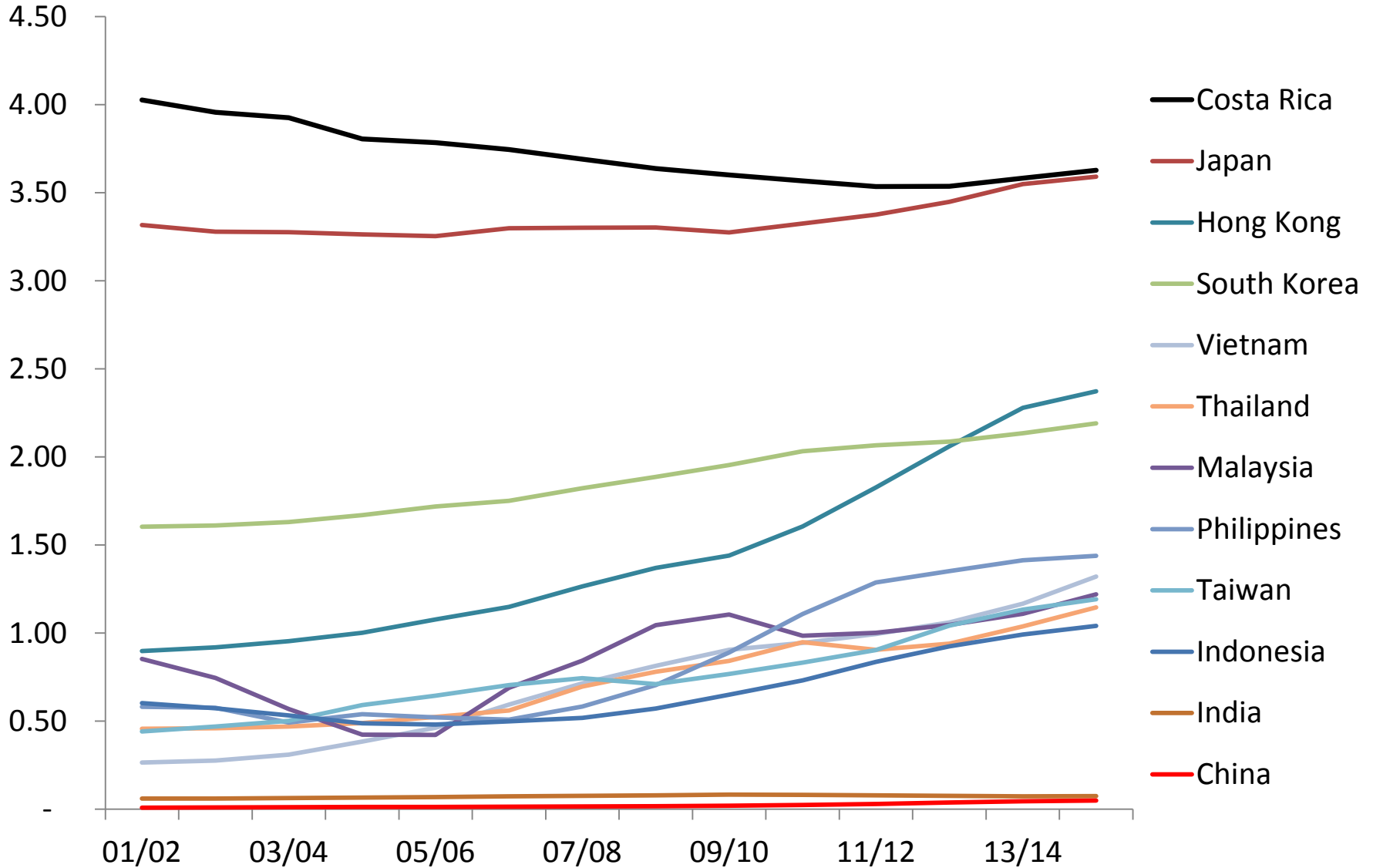
China - Demand

The market is dominated by soluble mixes, but with a small and growing fresh coffee business.



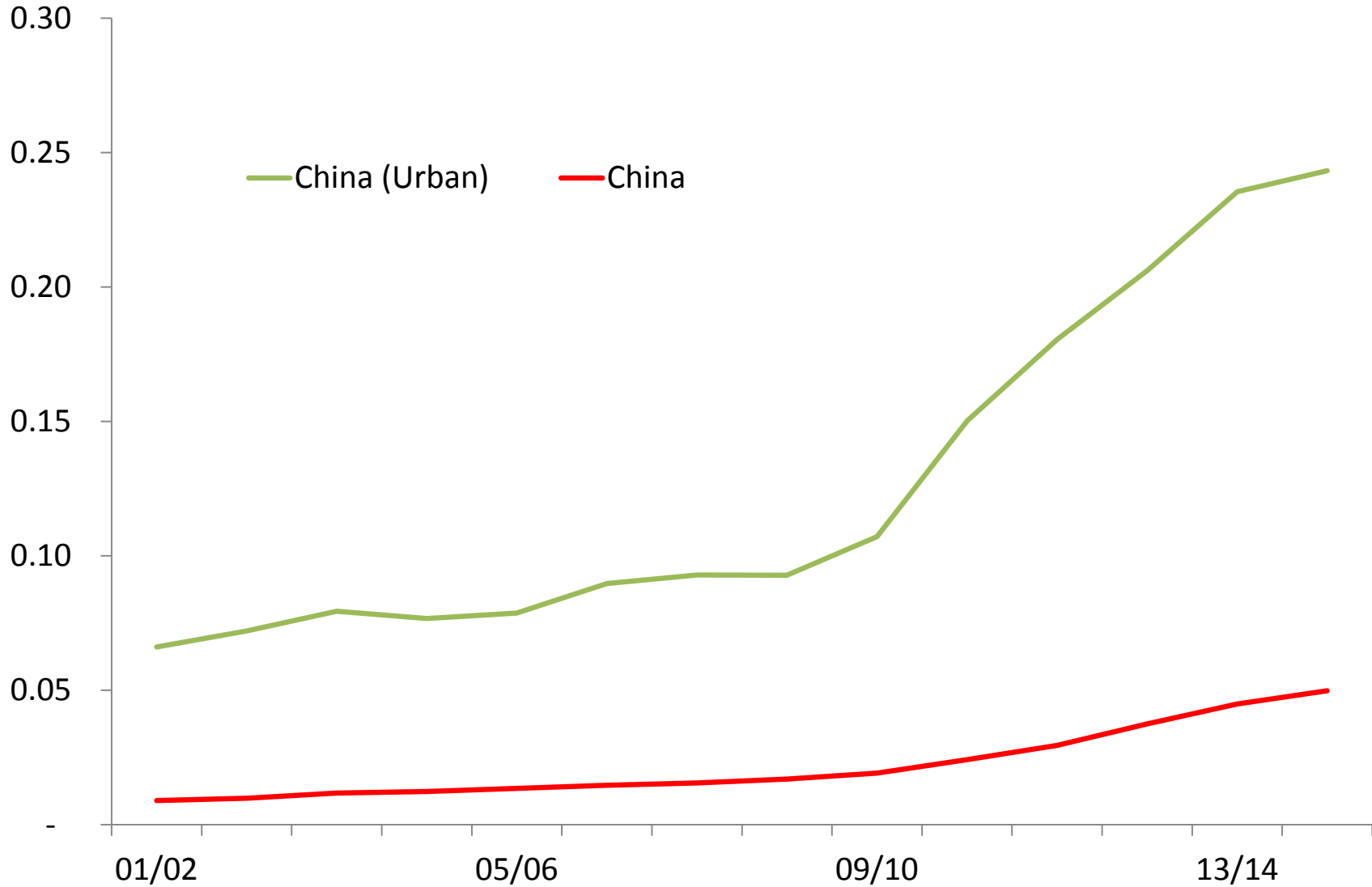
Per Capita Coffee Demand

On a per capita basis China barely registers.



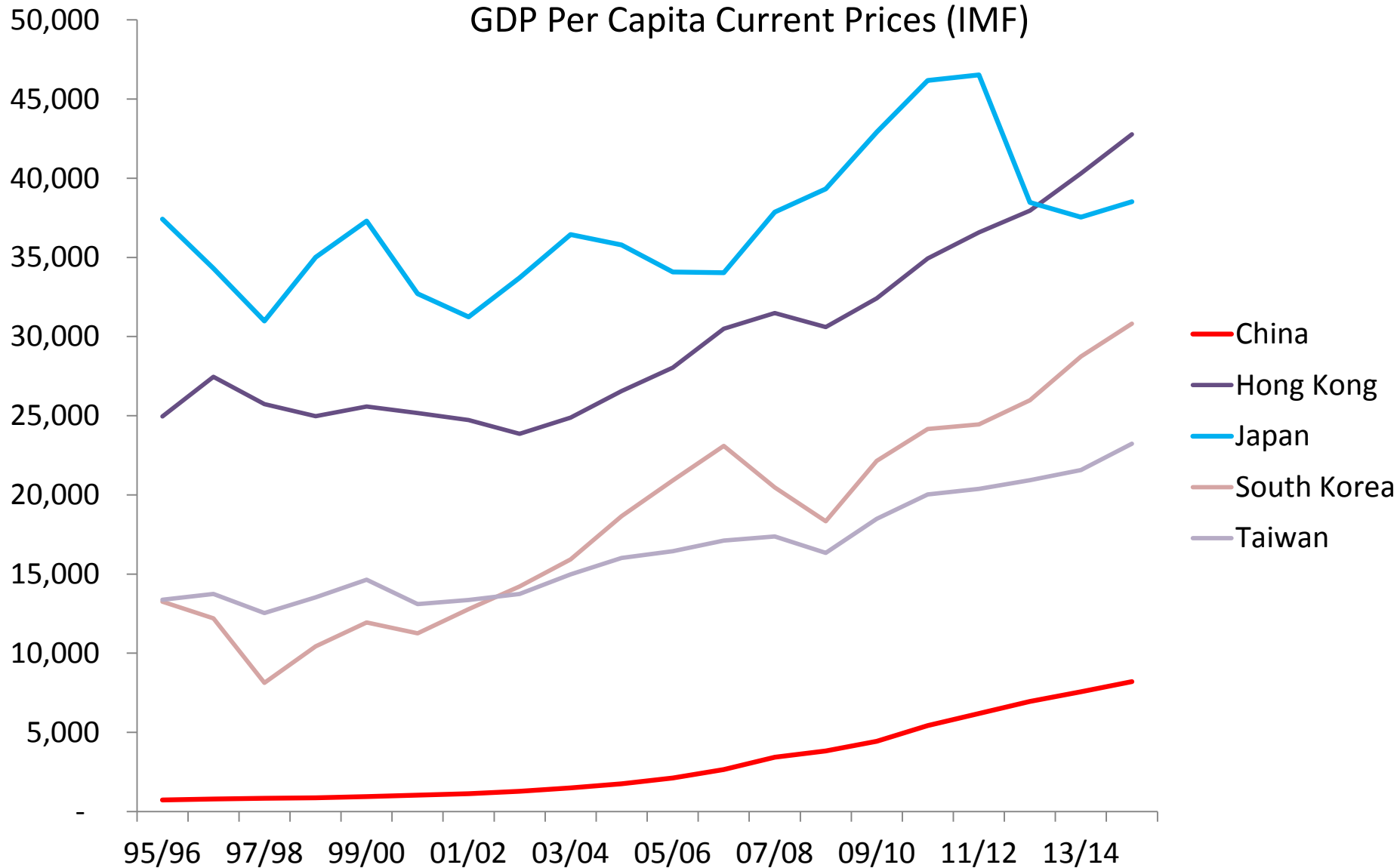
Per Capita Consumption

The per capita consumption of the urban population gives a better picture of demand.



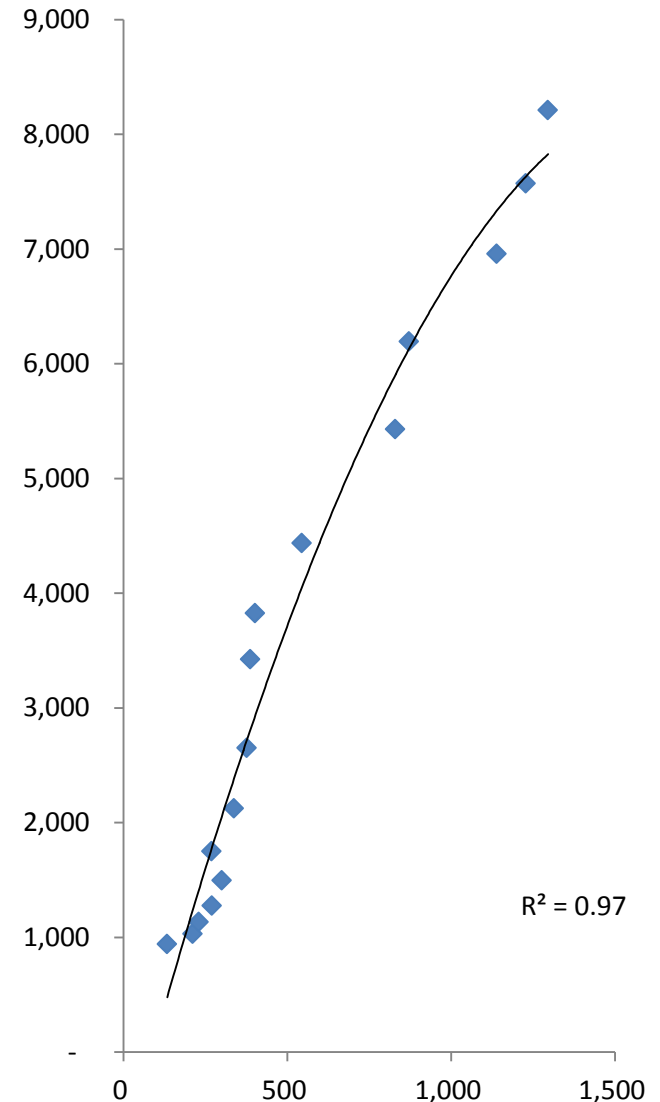
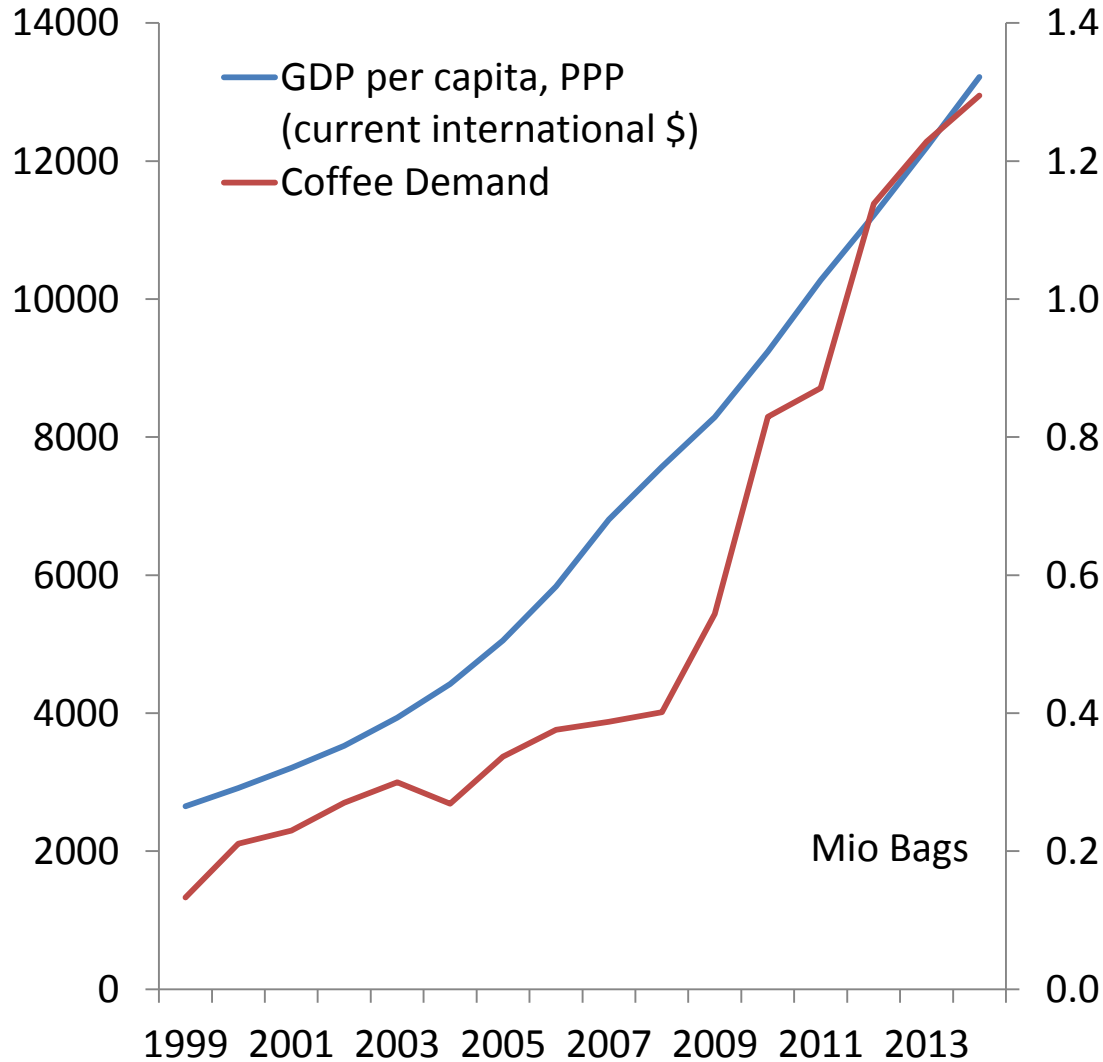
Per Capita GDP

China also below major coffee consumers in GDP



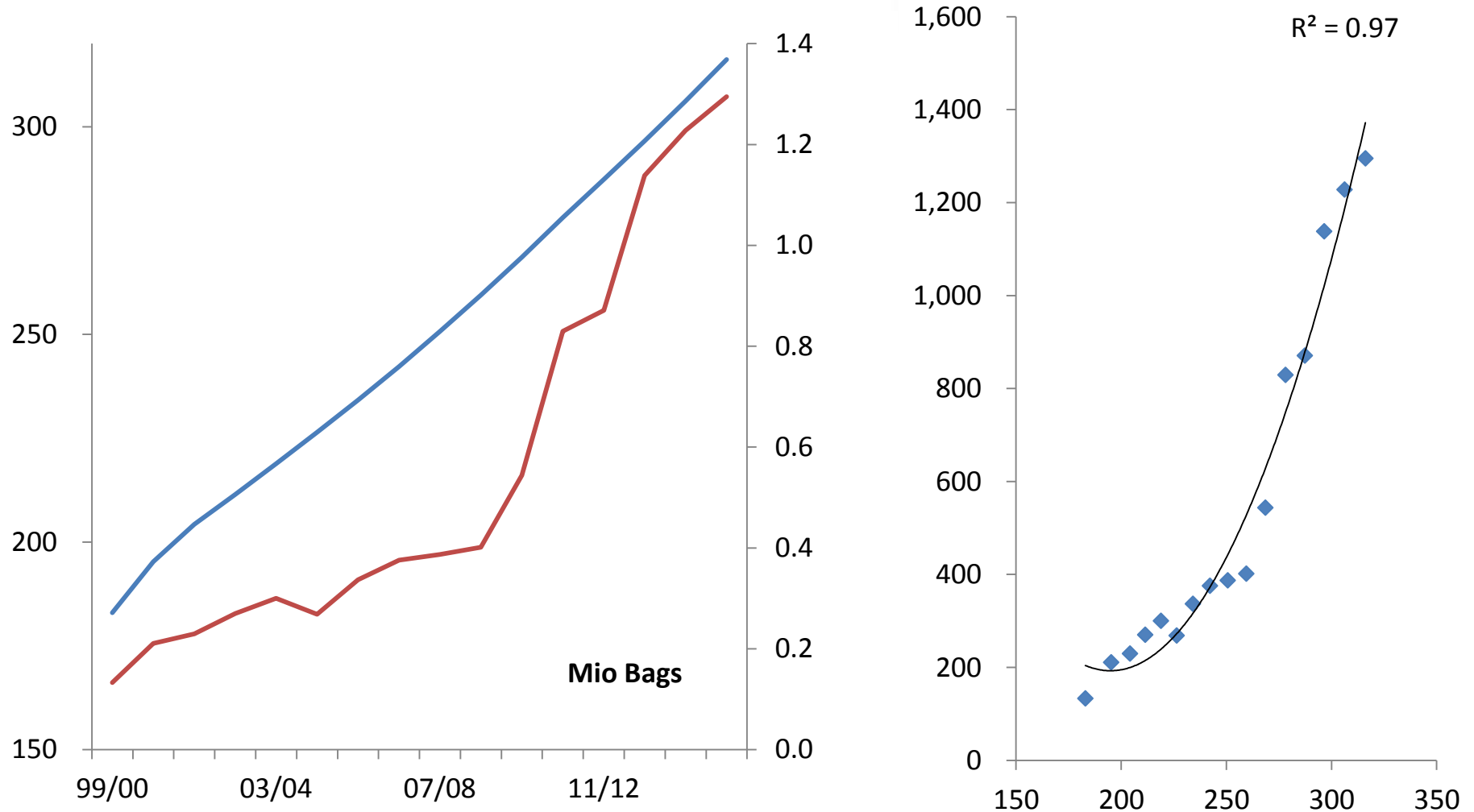
Per Capita GDP and Coffee Demand

The relationship between economic growth and coffee consumption is clear.



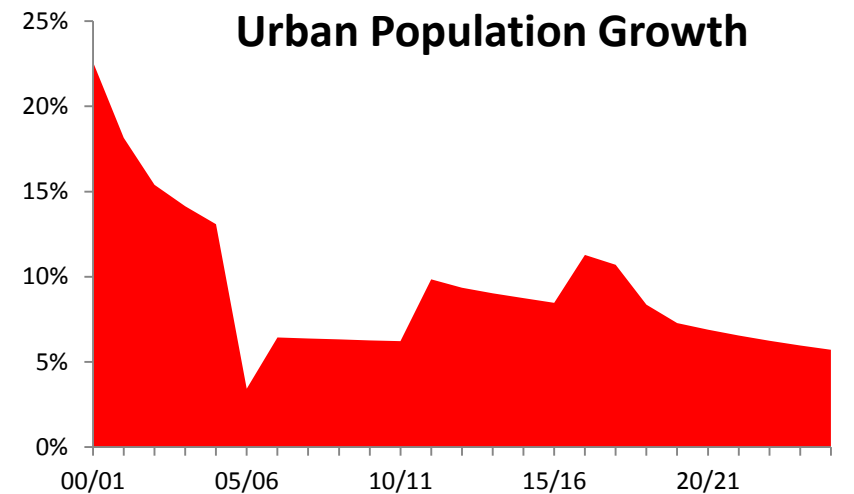
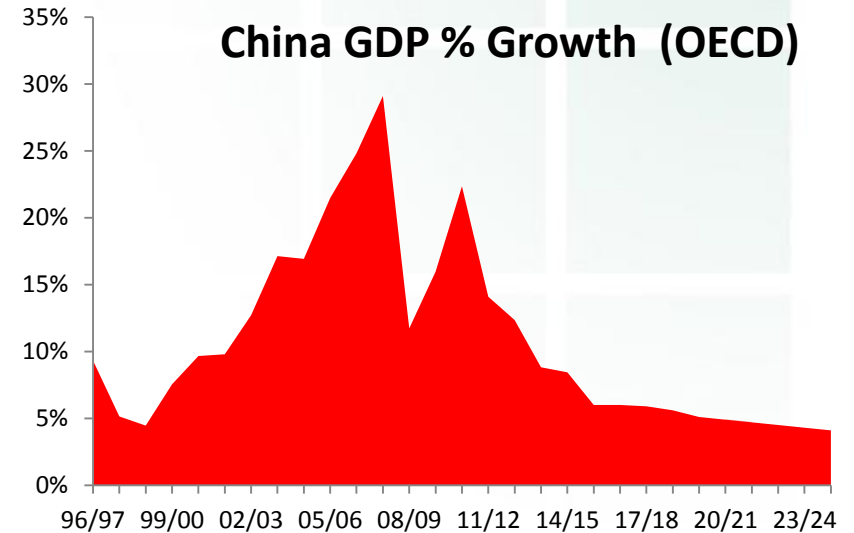
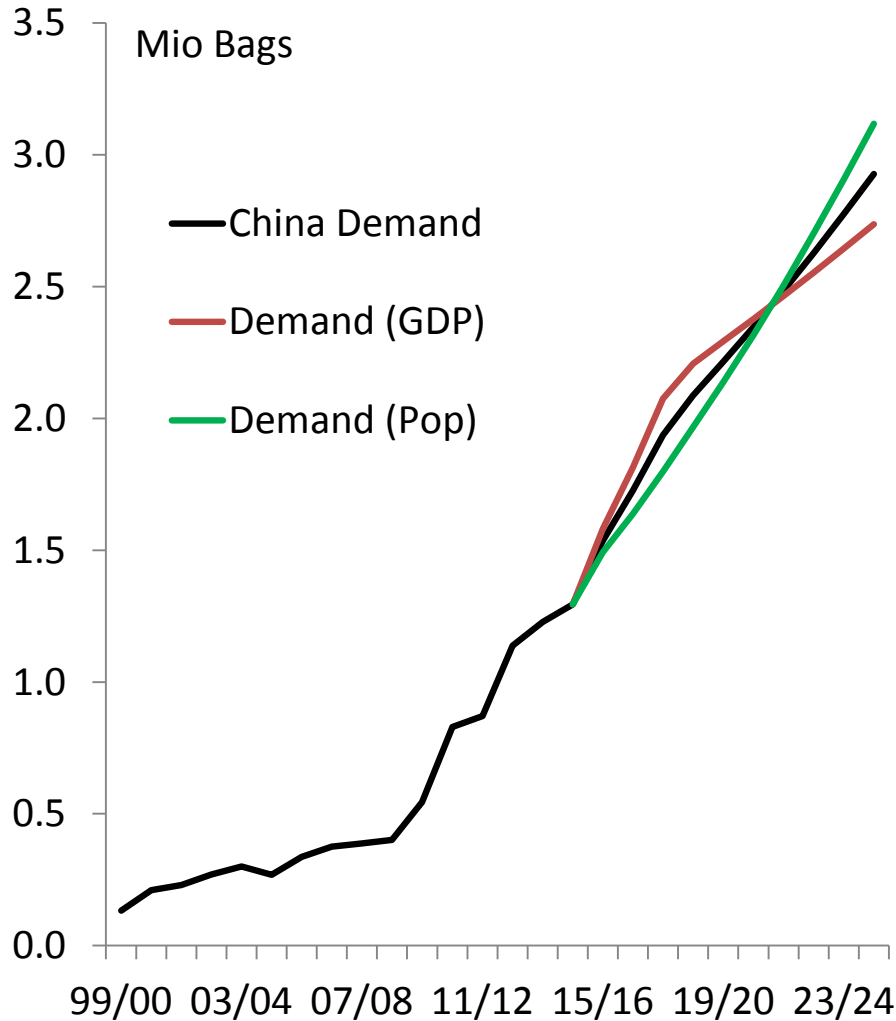
Population and Coffee Demand

The growth in the urban population and the growth in coffee consumption also has had a strong relationship in the past 15 years.



Demand Outlook

Demand at 3 mio bags in 2025 represents an increase of 126% from current levels. This would be 11th in consumption today (the size of the UK).

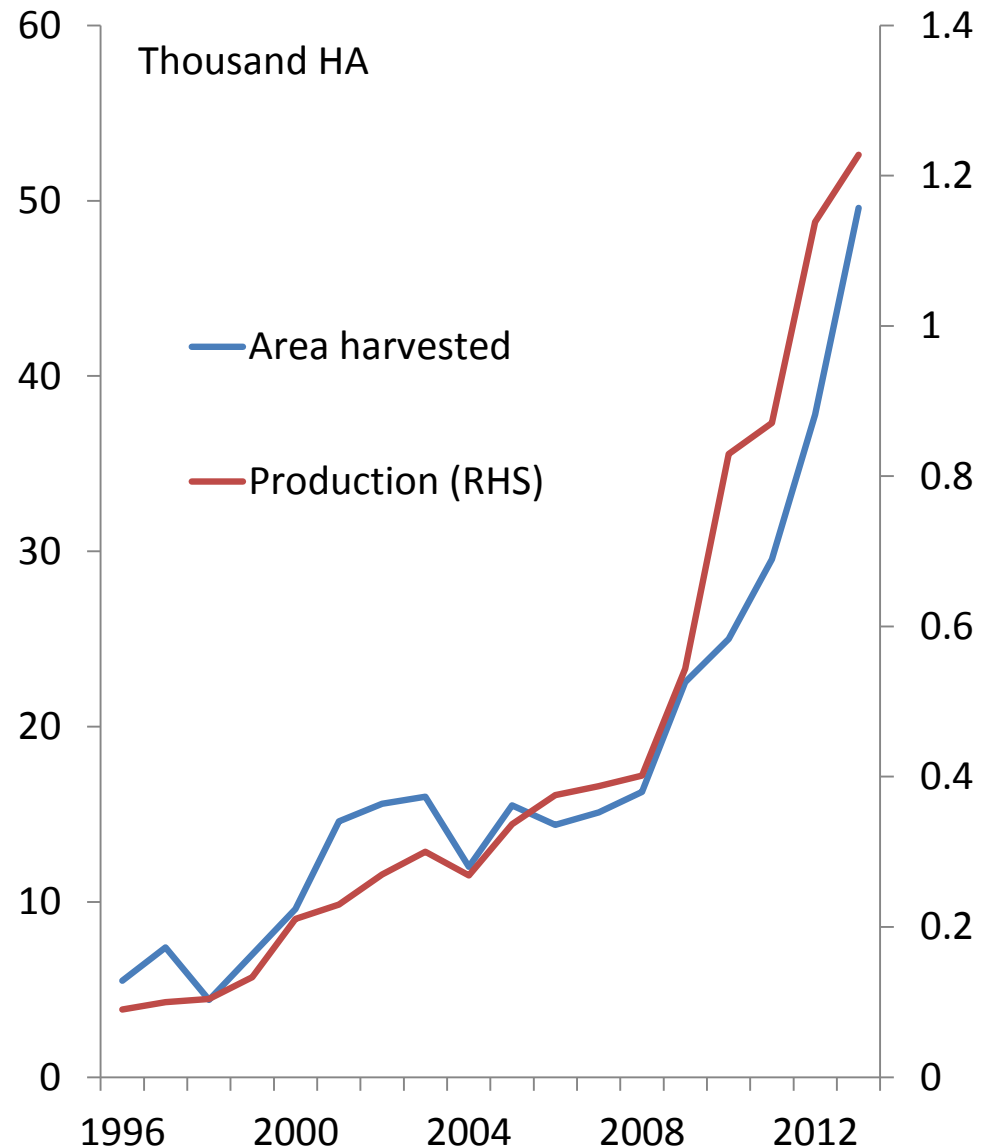


Production

Output has increased 300% in the past ten years as area has grown 200%. Further production growth in the short term is likely as new area comes into production.

However, the cost of production is relatively high, and further area expansion will have to be at the expense of other crops (tea). For further growth government support will likely be necessary.

Quality improvements may result in more of the local crop being used for fresh coffee consumption.



Thank you



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