

Sintercafe 2010
10-14 November 2010
San Jose

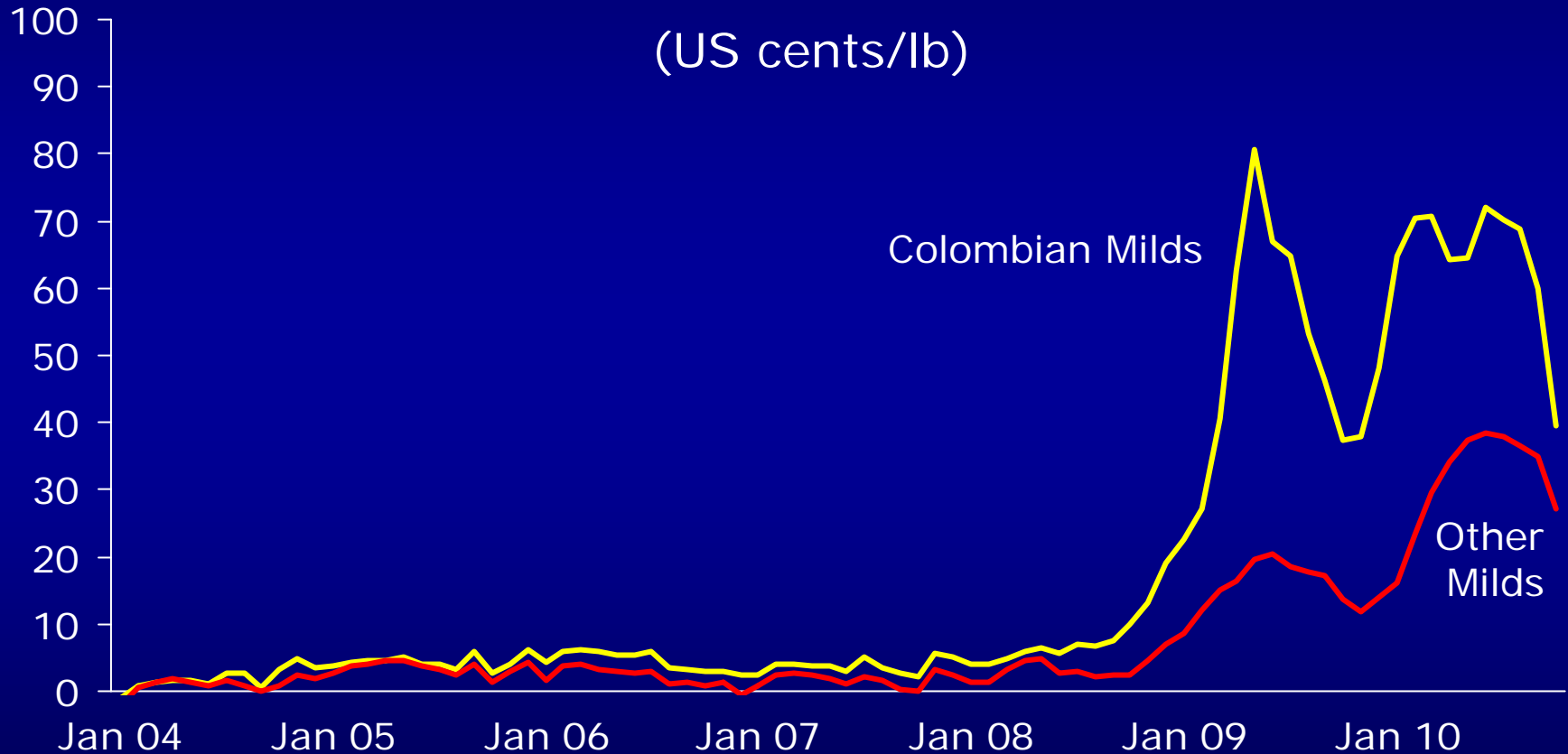
Production and Consumption of
Washed Arabicas

Stefan Uhlenbrock
F.O. Licht Commodity Analysts
Ratzeburg, Germany

World Arabica Coffee Prices: NY „C“

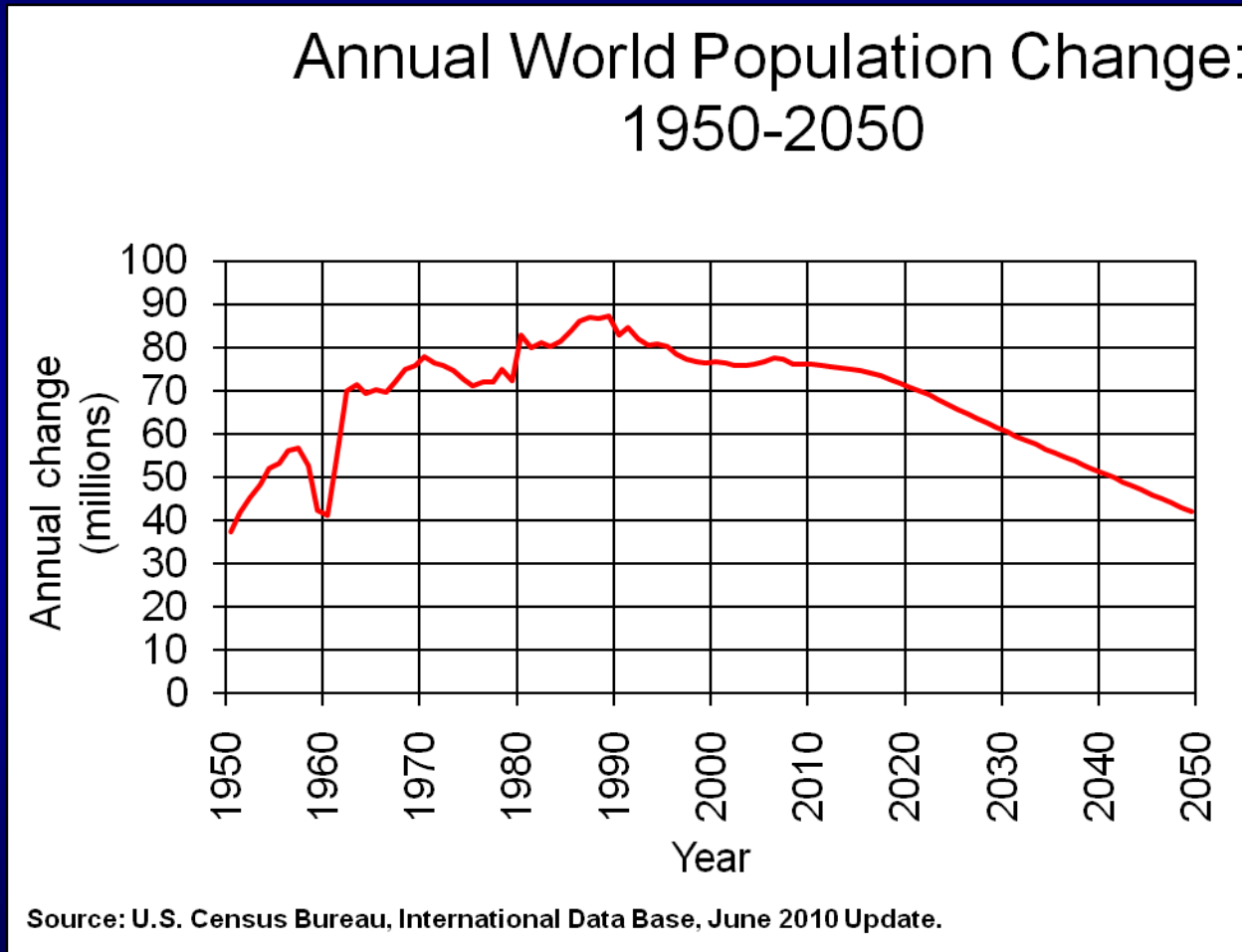


Differential of Colombian Milds and Other Milds vs New York



Is there demand destruction?

World population continues to rise ...



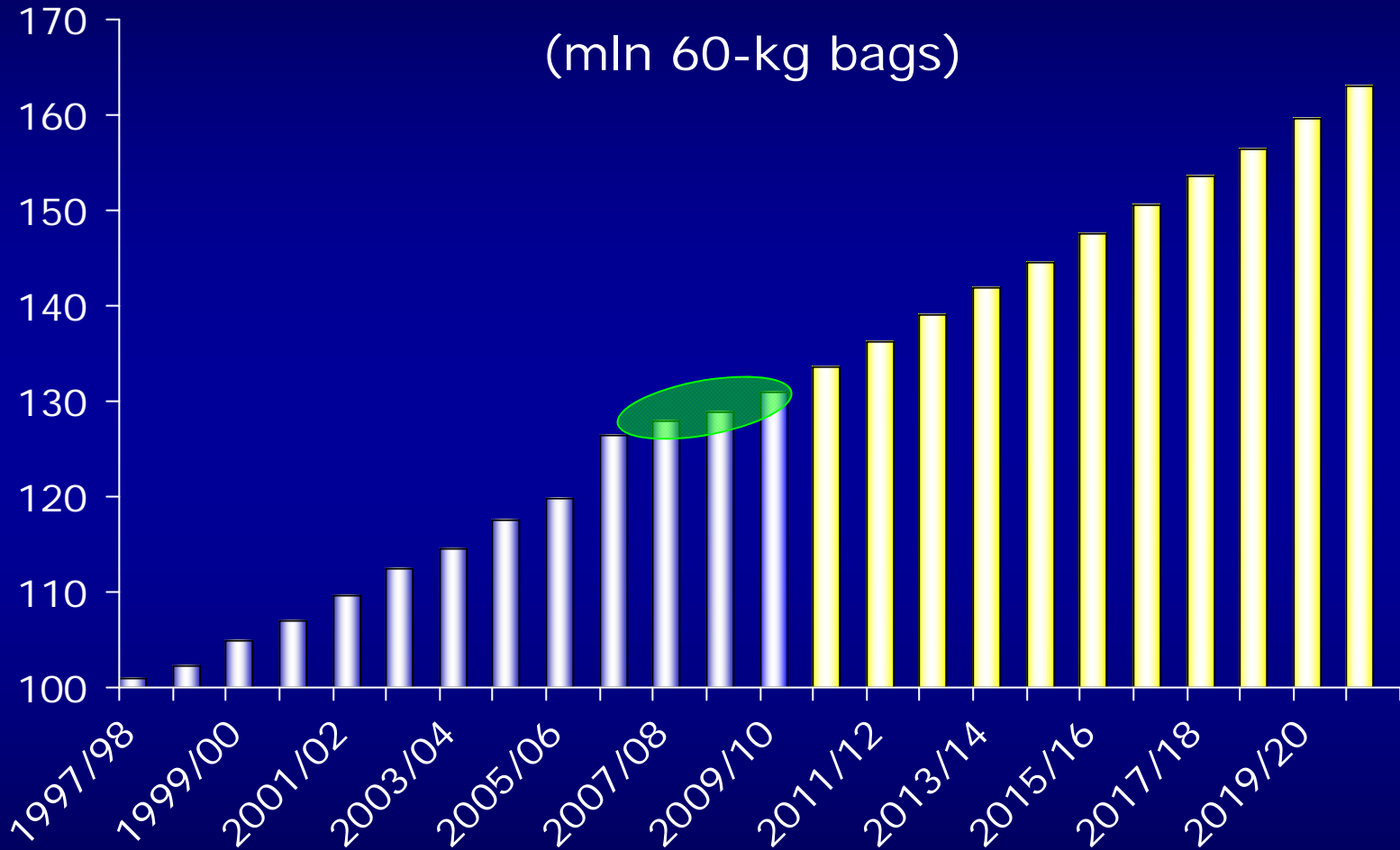
- Coffee demand has proved to be recession-proof
- Imports continue unabatedly into major consuming regions, such as the US and EU
- Brazilian domestic use continues to rise
- There is still much room for additional consumption in fast growing Asian markets

So what do you think?
Is there demand destruction?

The World needs more coffee!

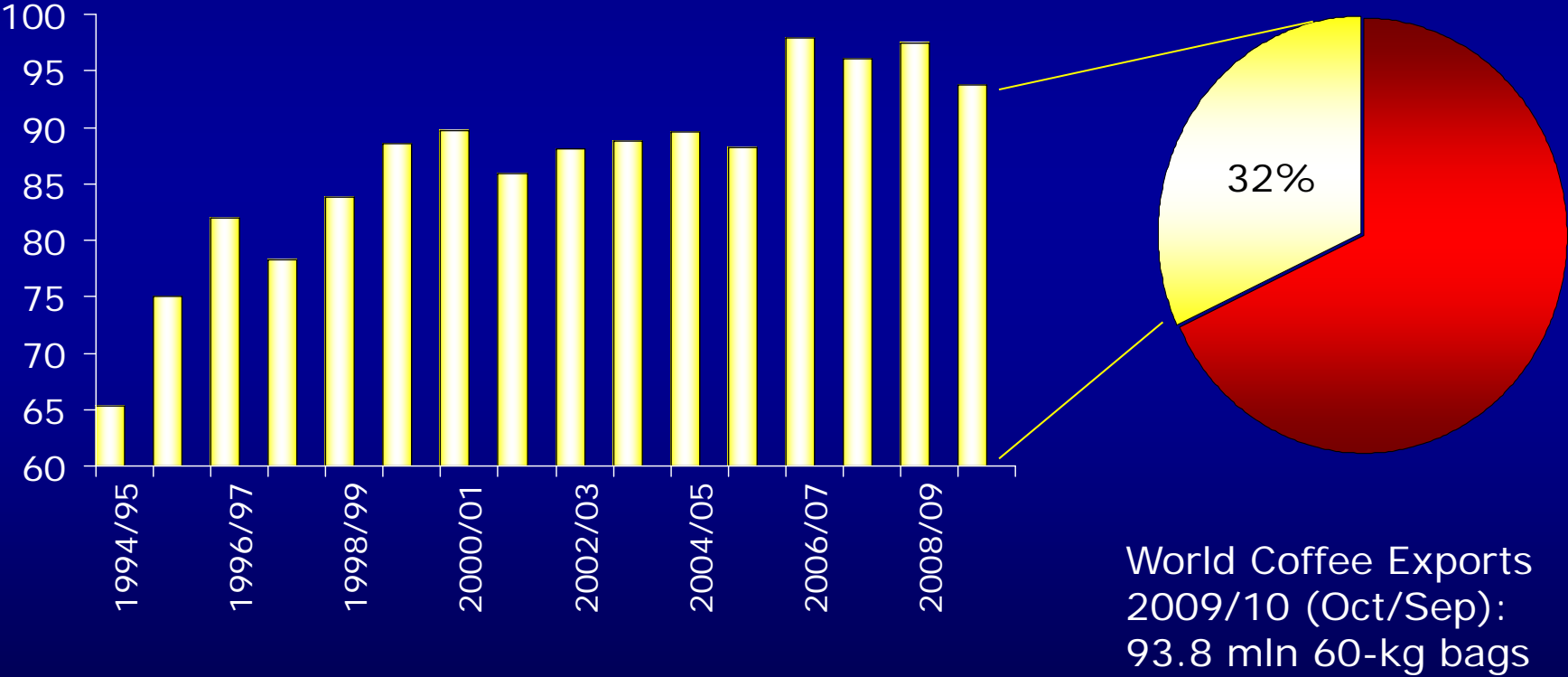
World Coffee Consumption

(mln 60-kg bags)



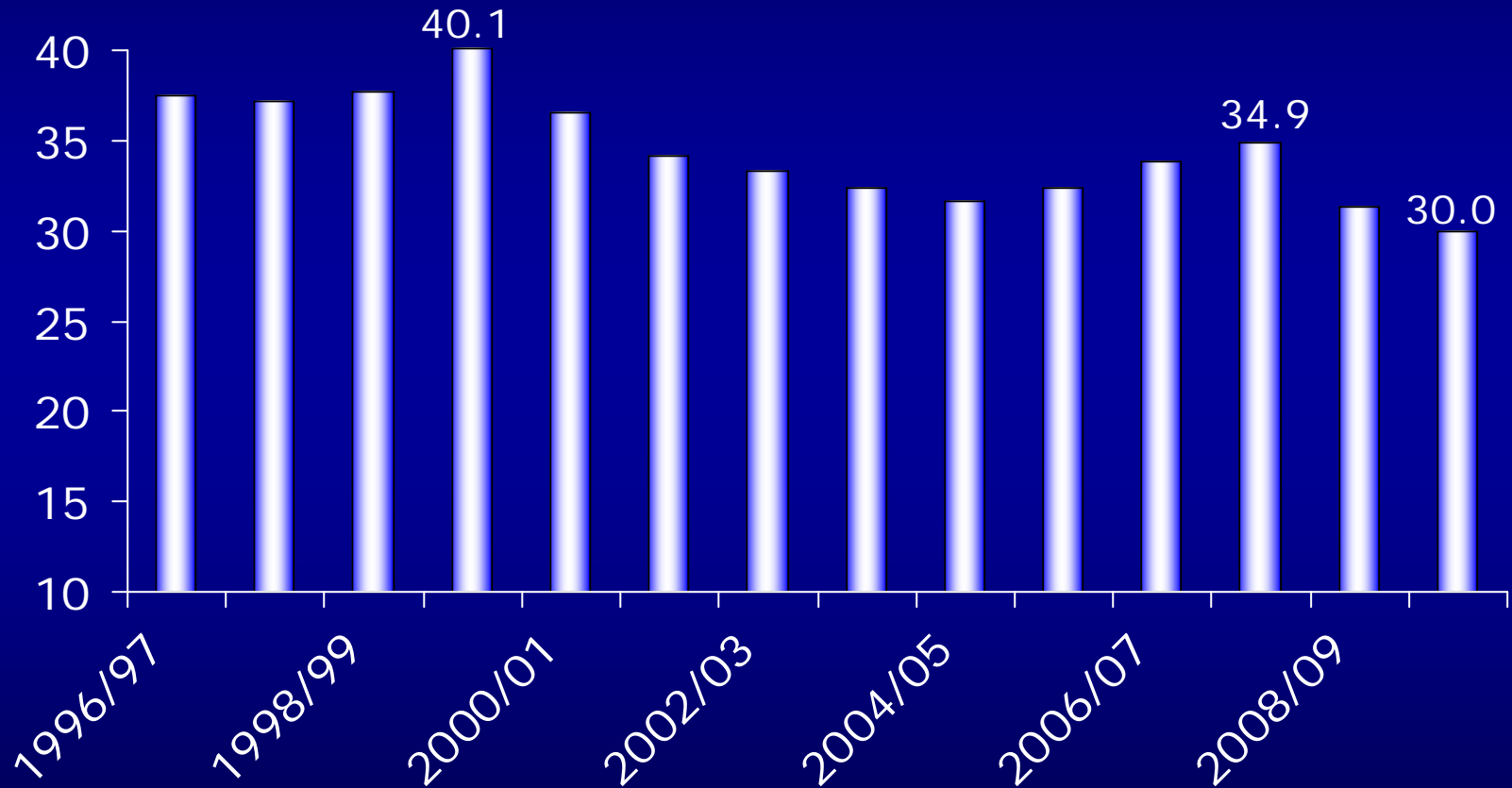
Global Coffee Trade and Washed Arabica Exports

(mln 60-kg bags)



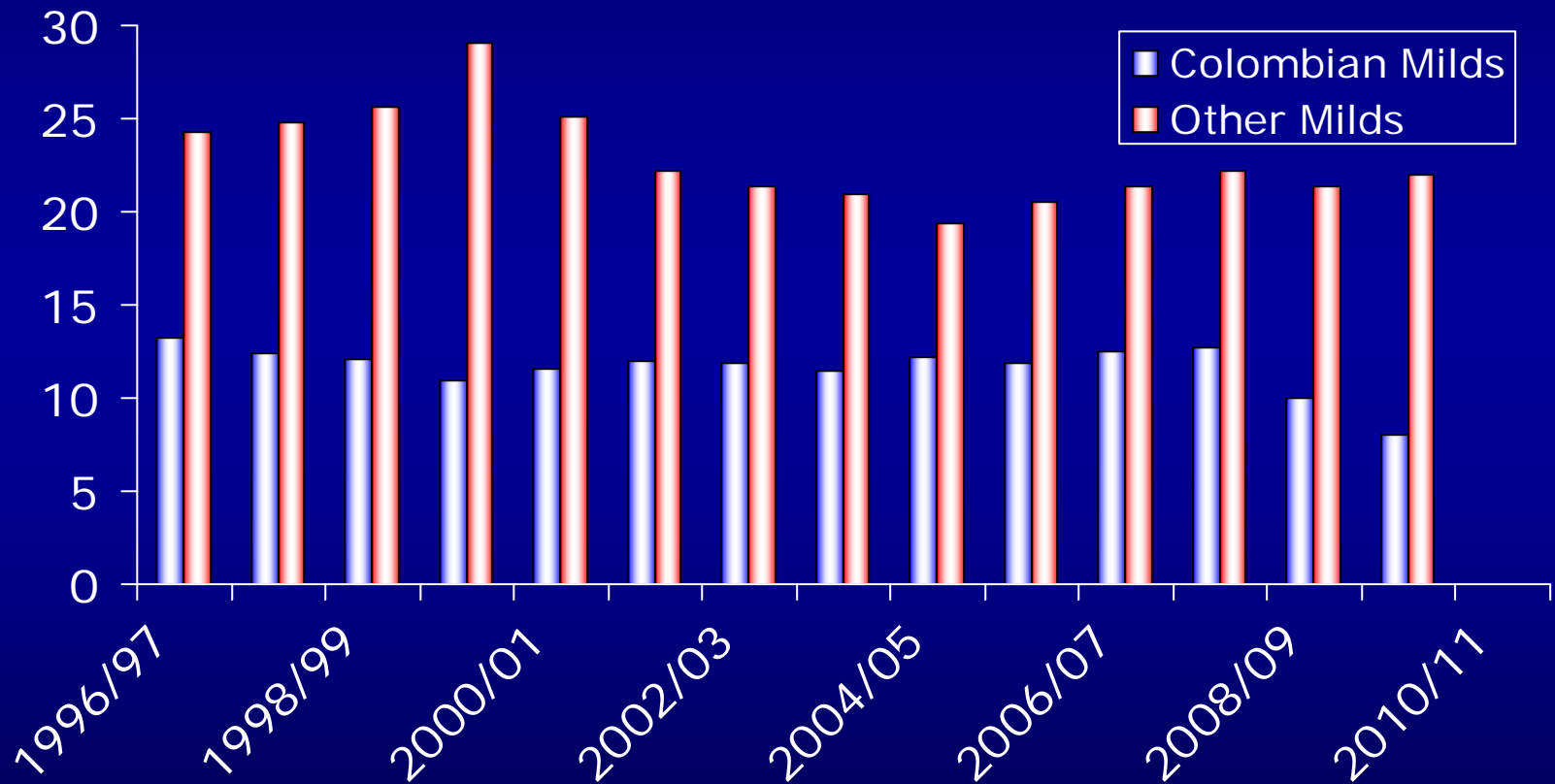
World Washed Arabica Exports

(mln 60-kg bags)



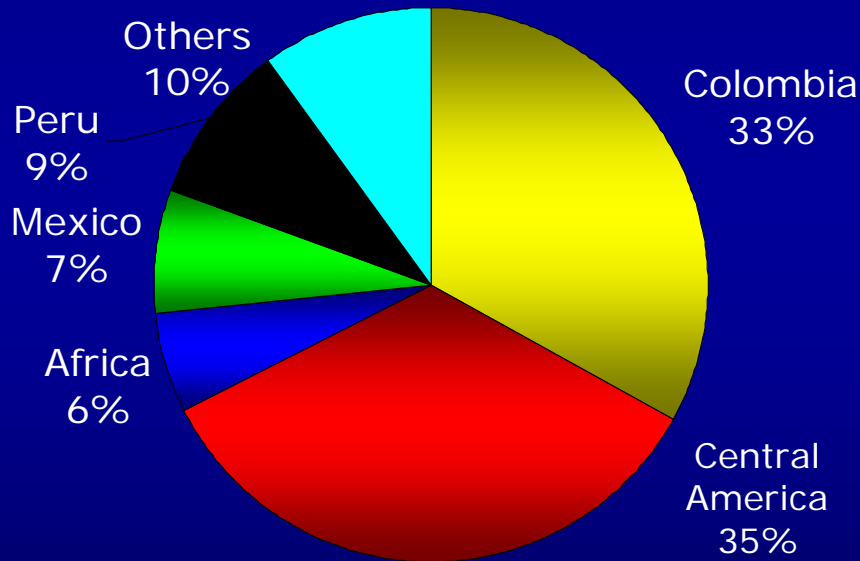
Composition of World Washed Arabica Exports

(mln 60-kg bags)

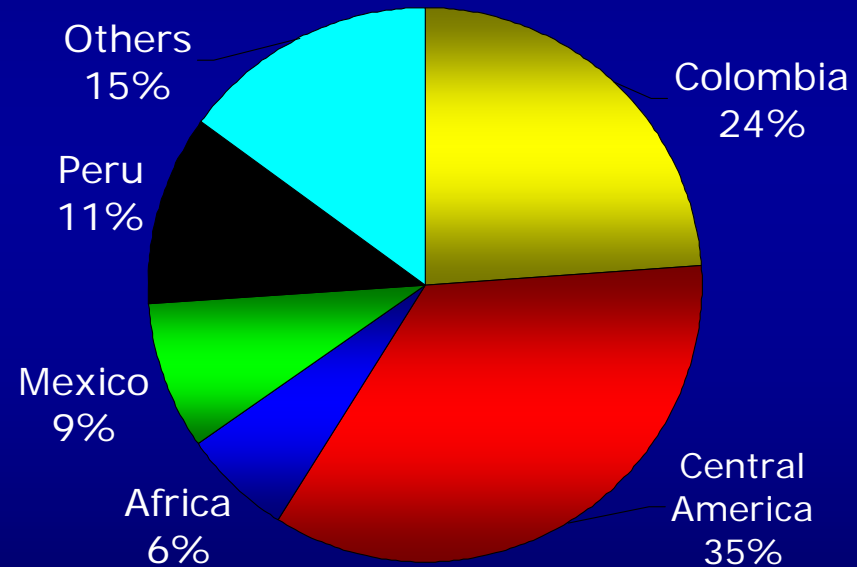


World Washed Arabica Exports

2007/08:
34,899,028 bags



2009/10:
29,981,613 bags

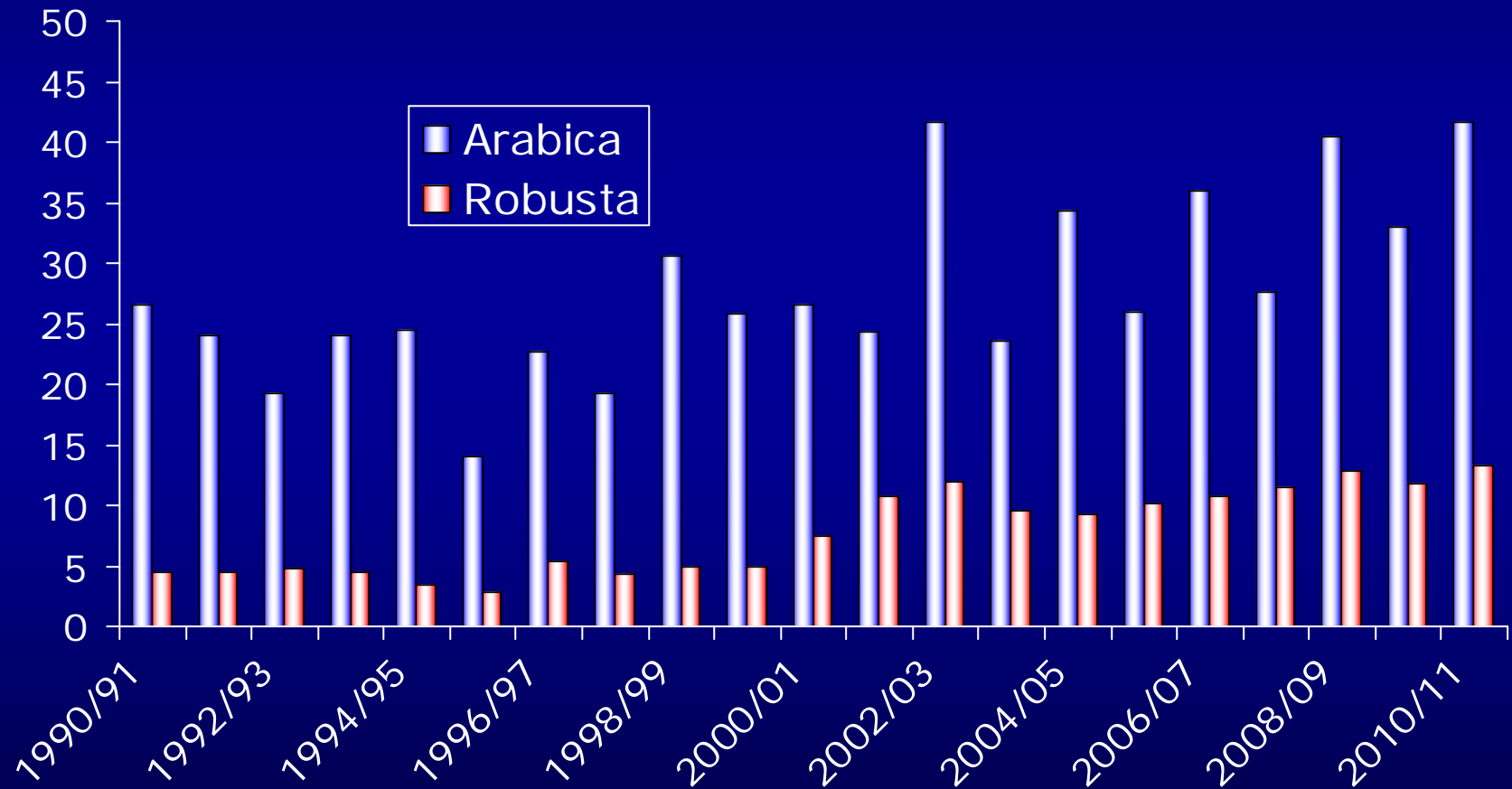


How about prospects for 2010/11?

South America

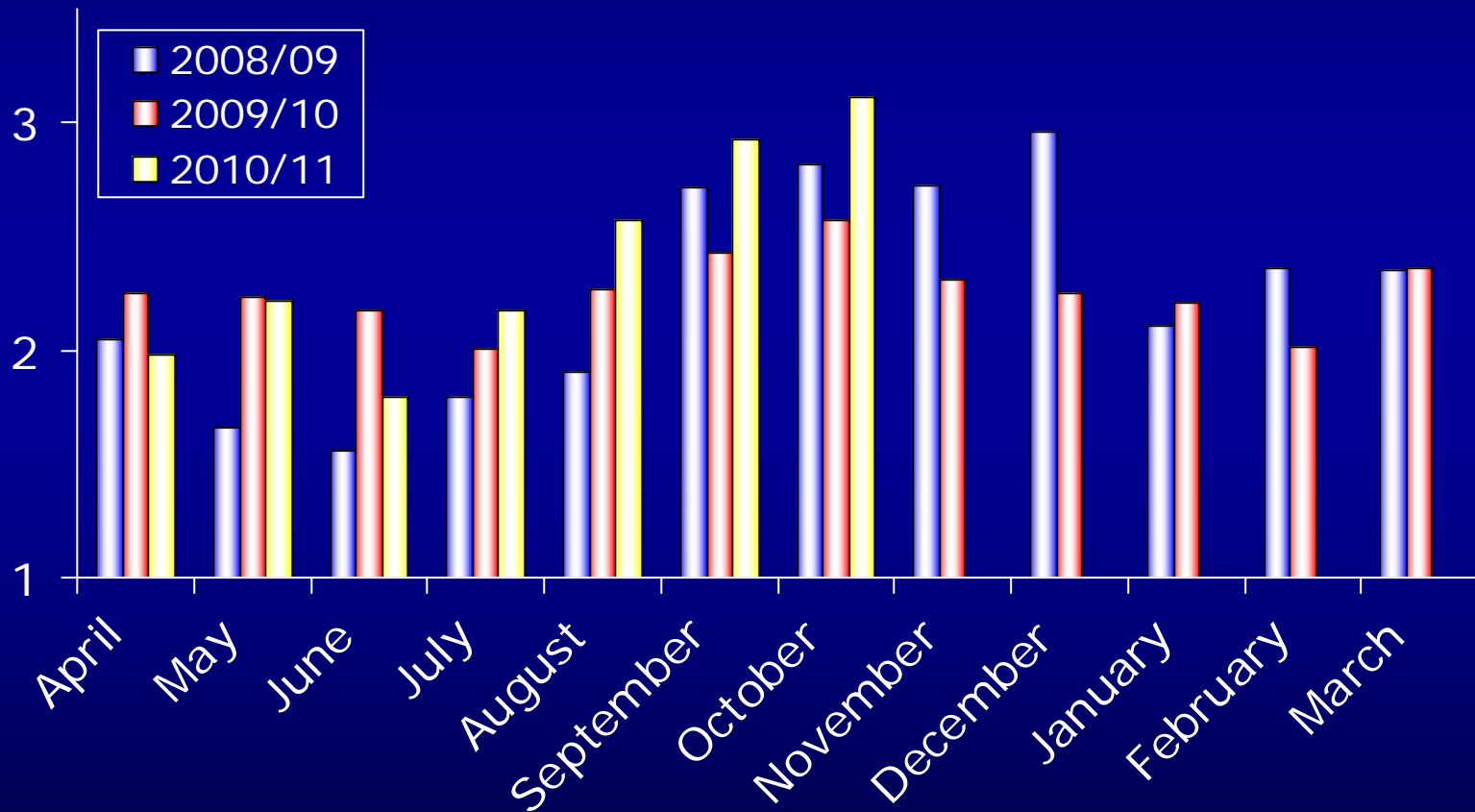
Brazil: Coffee Production by Variety

(mln 60-kg bags)



Brazil: Monthly Green Coffee Exports

(mln 60-kg bags)

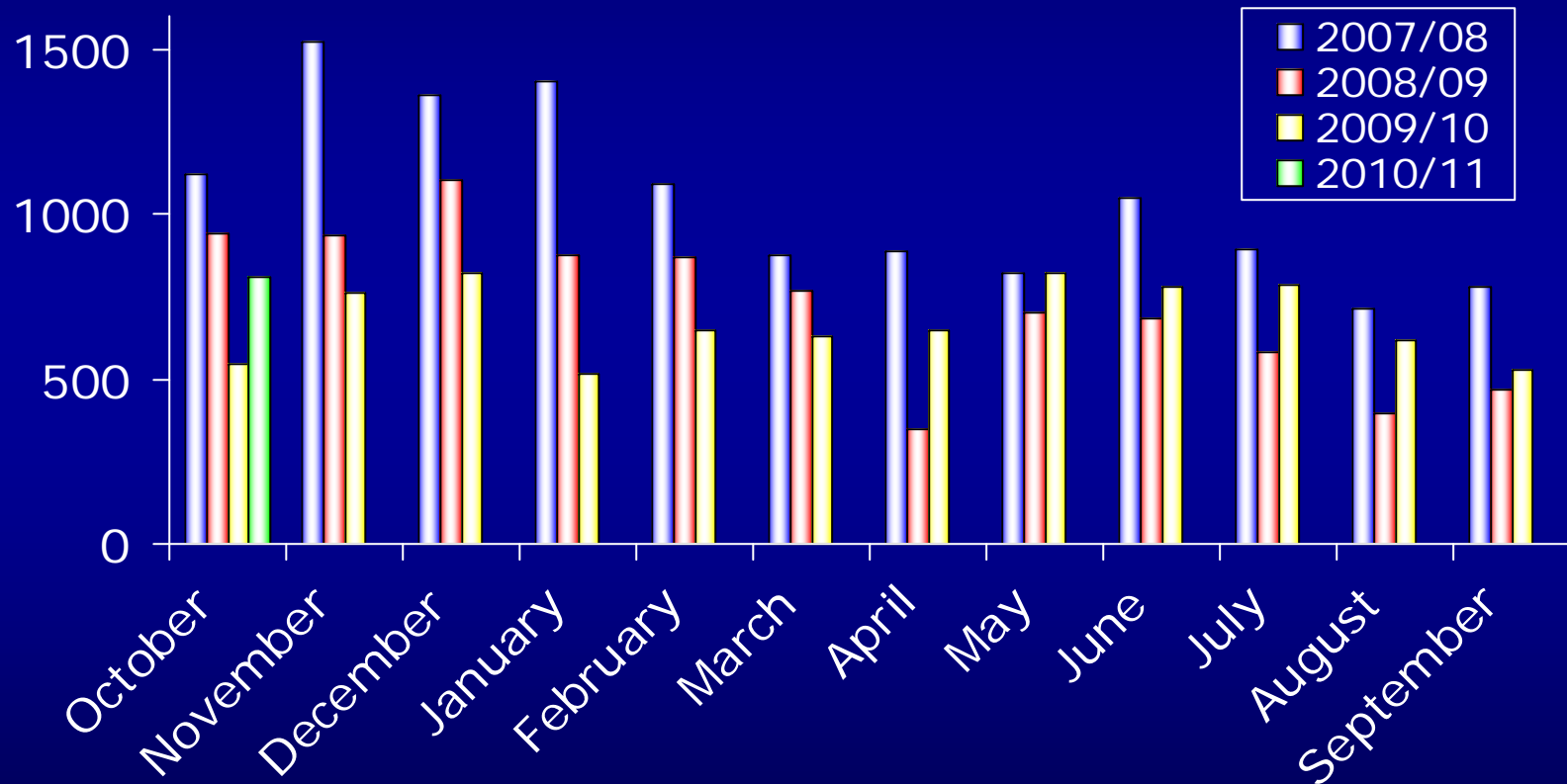


Brazil will enter its „off-year“ in
2011/12

With stocks having been run down to
precariously low levels, there will be no
leeway for production shortfalls
elsewhere

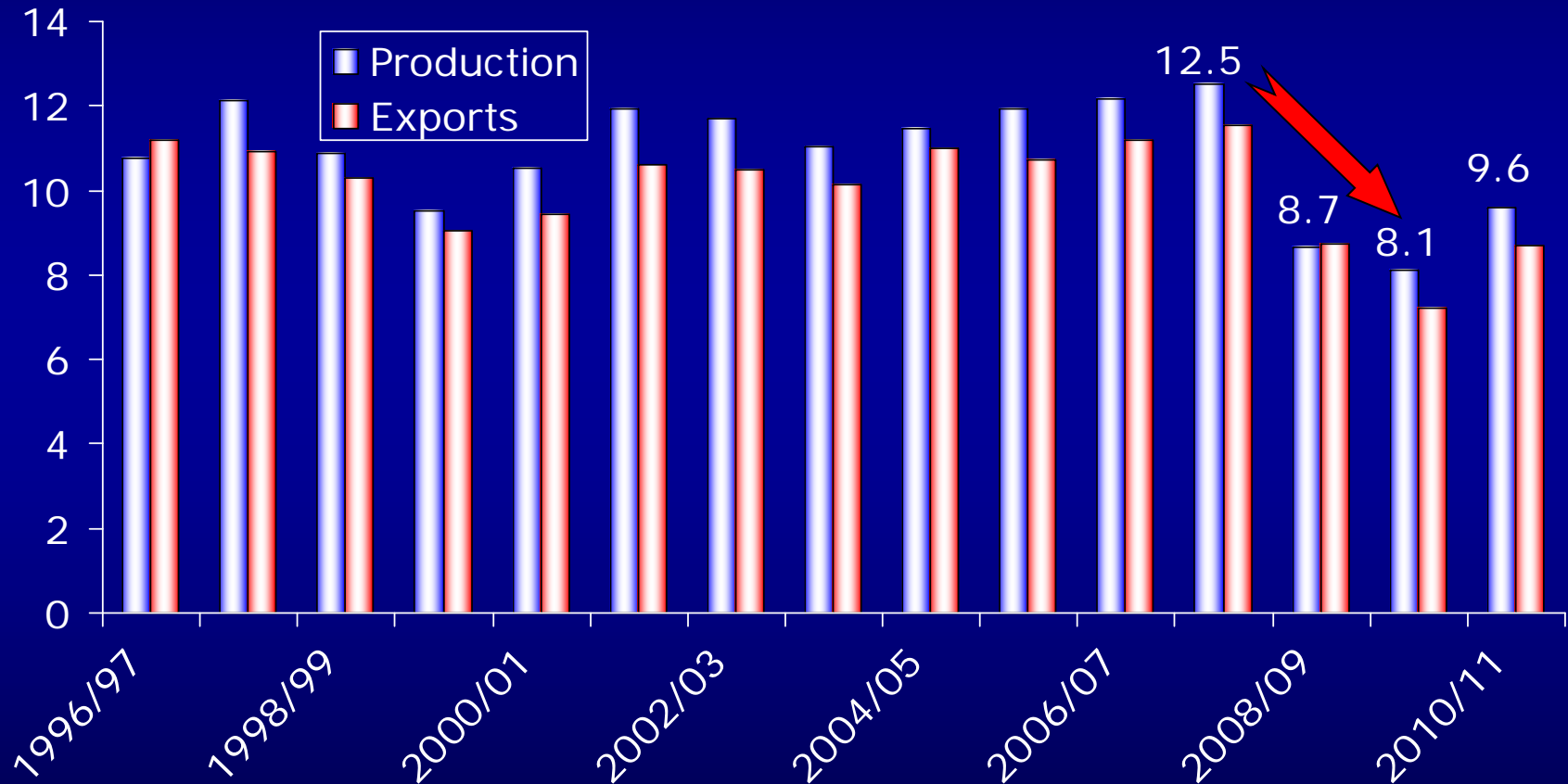
Colombia: Monthly Coffee Production

(1,000 60-kg bags)



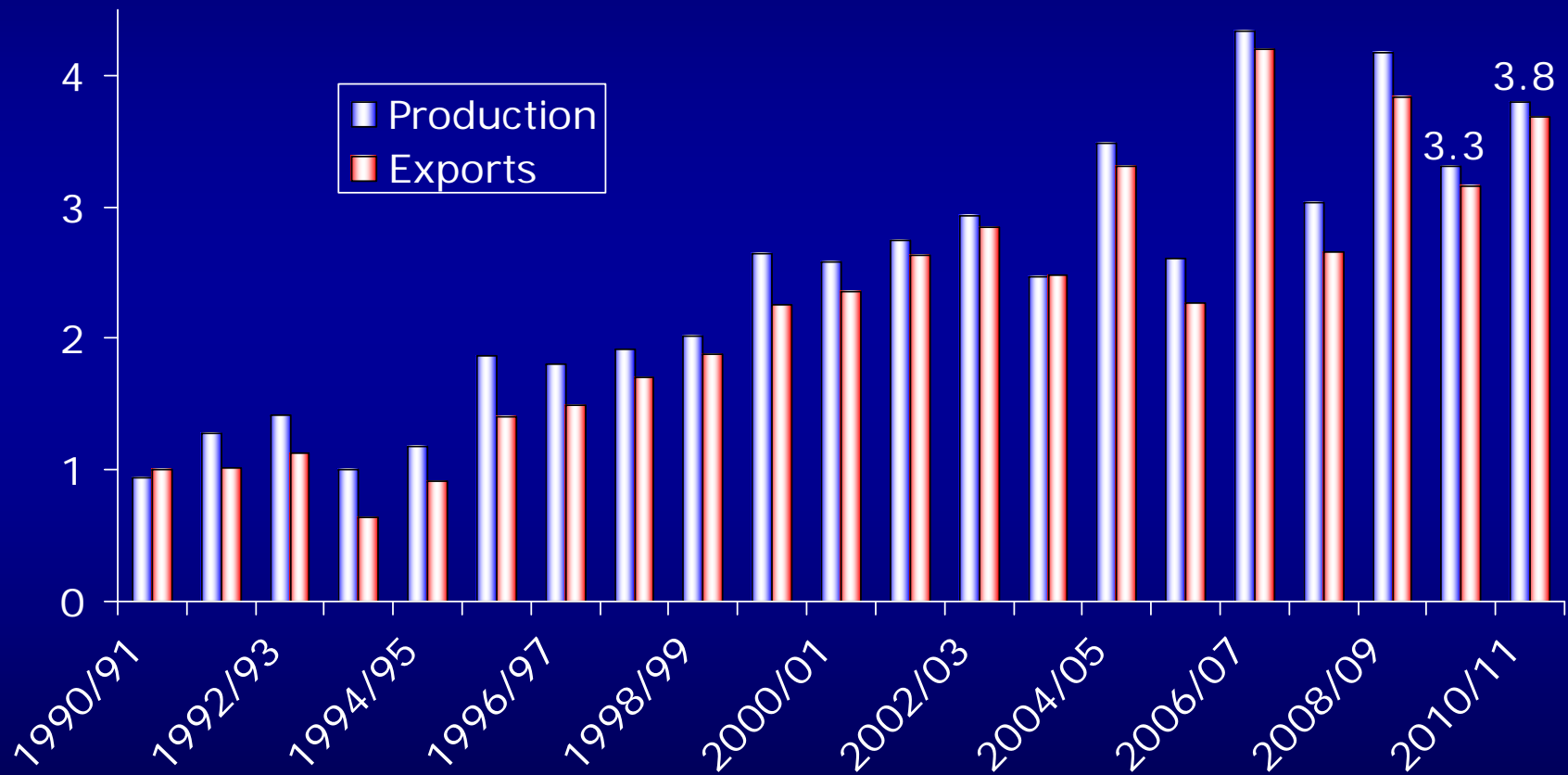
Colombia: Coffee Production and Exports

(mln 60-kg bags)



Peru: Coffee Production and Exports

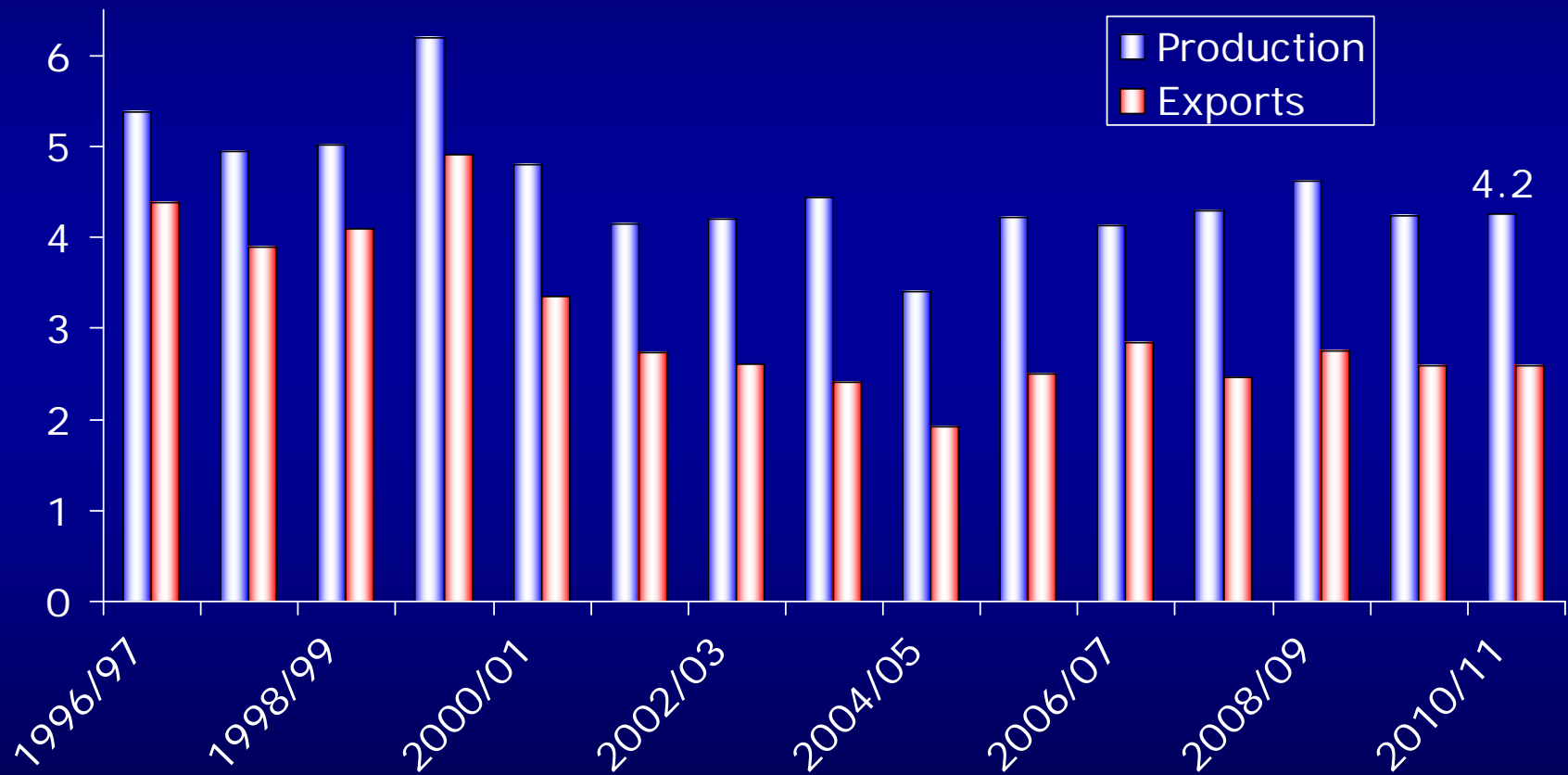
(mln 60-kg bags)



Mexico and Central America

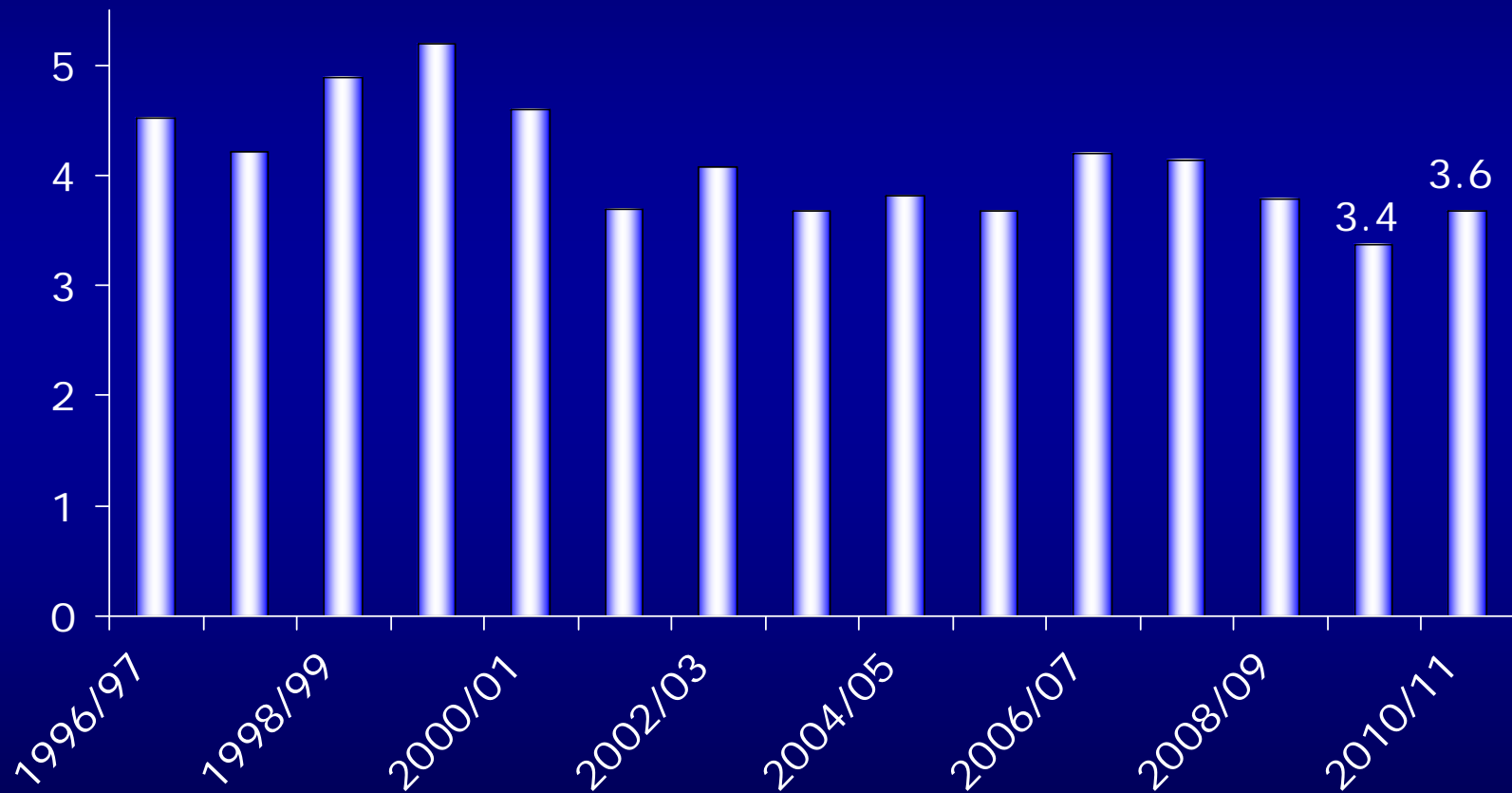
Mexico: Coffee Production and Exports

(mln 60-kg bags)



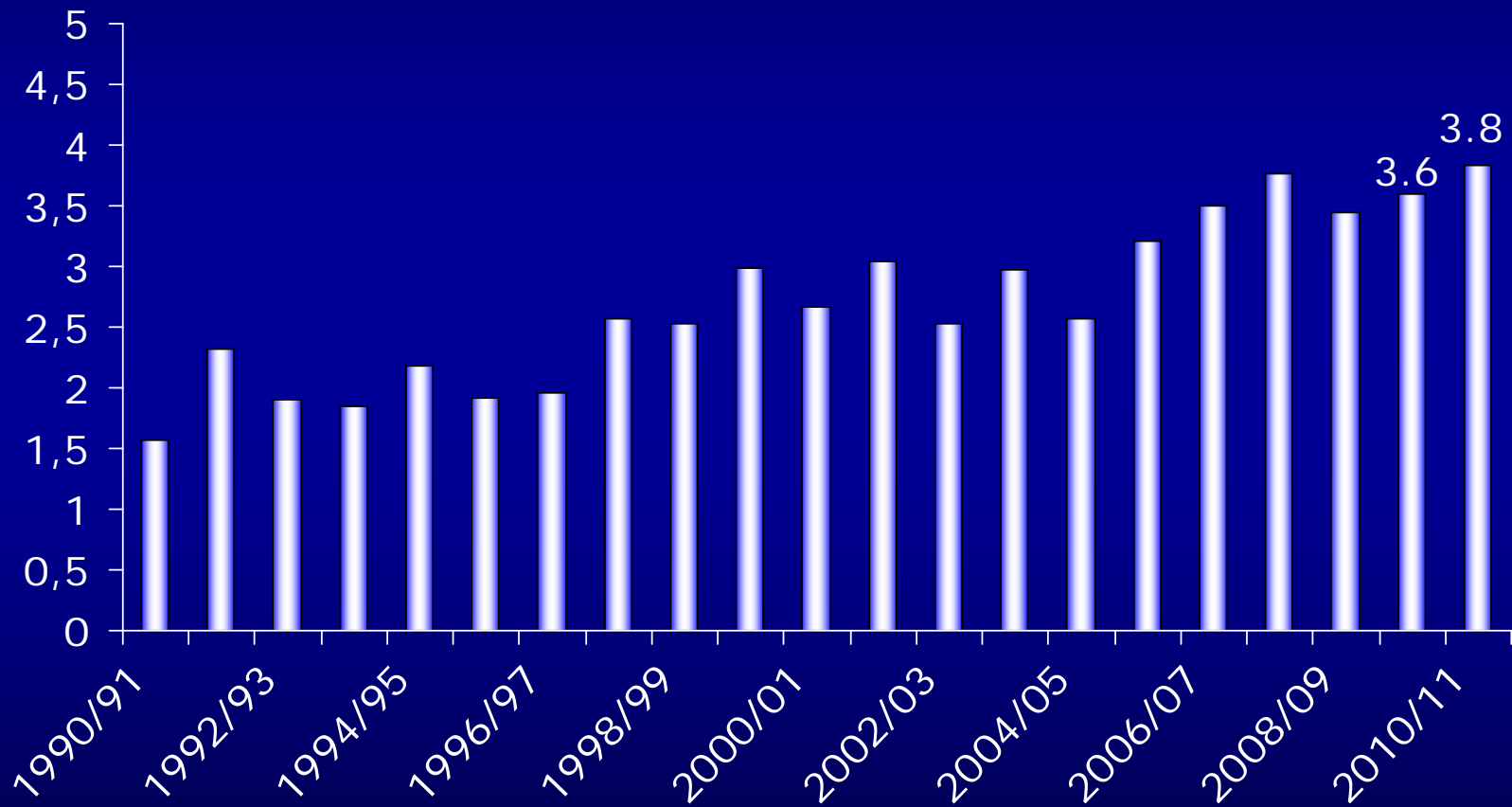
Guatemala: Coffee Production

(mln 60-kg bags)



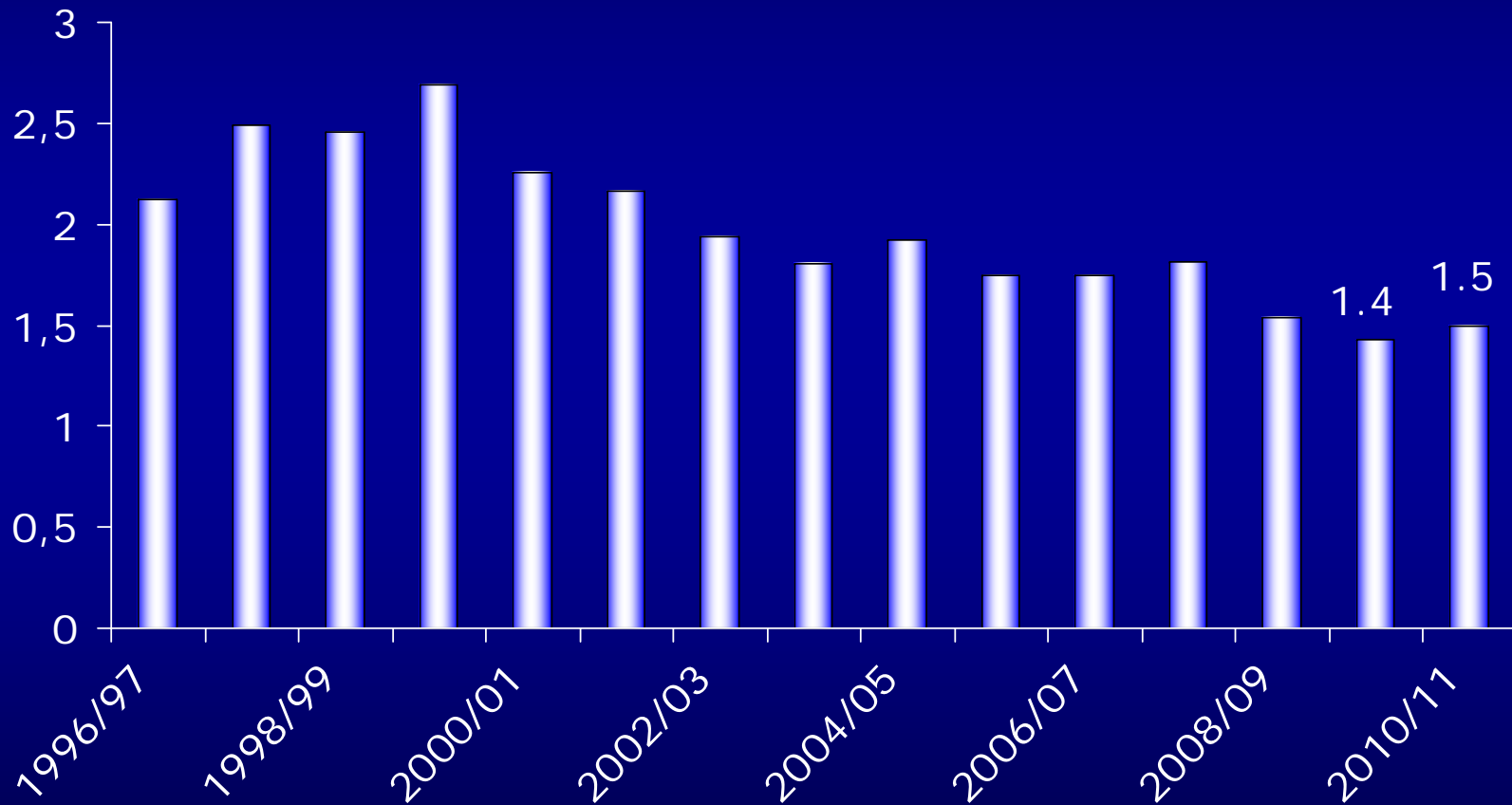
Honduras: Coffee Production

(mln 60-kg bags)



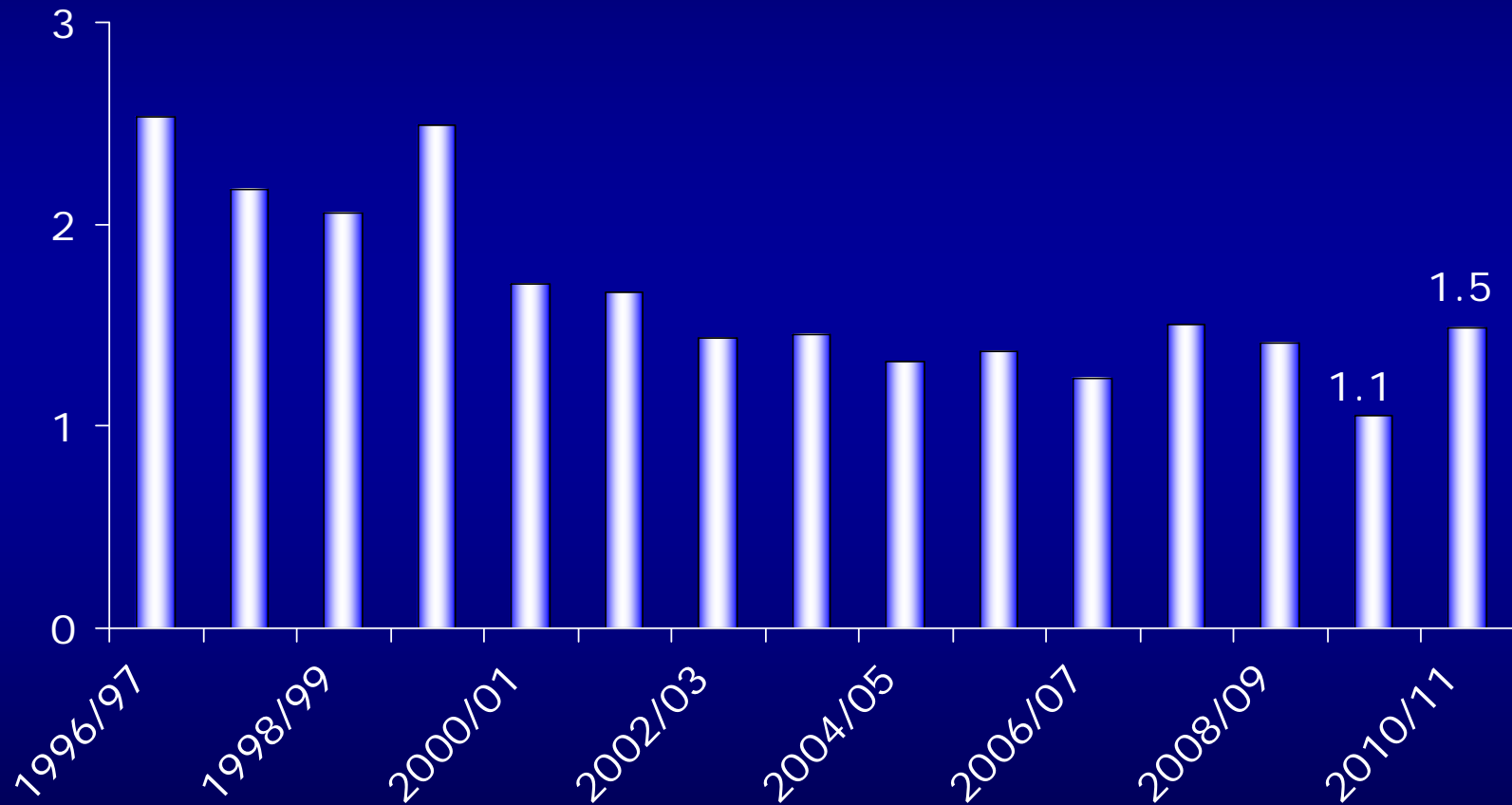
Costa Rica: Coffee Production

(mln 60-kg bags)



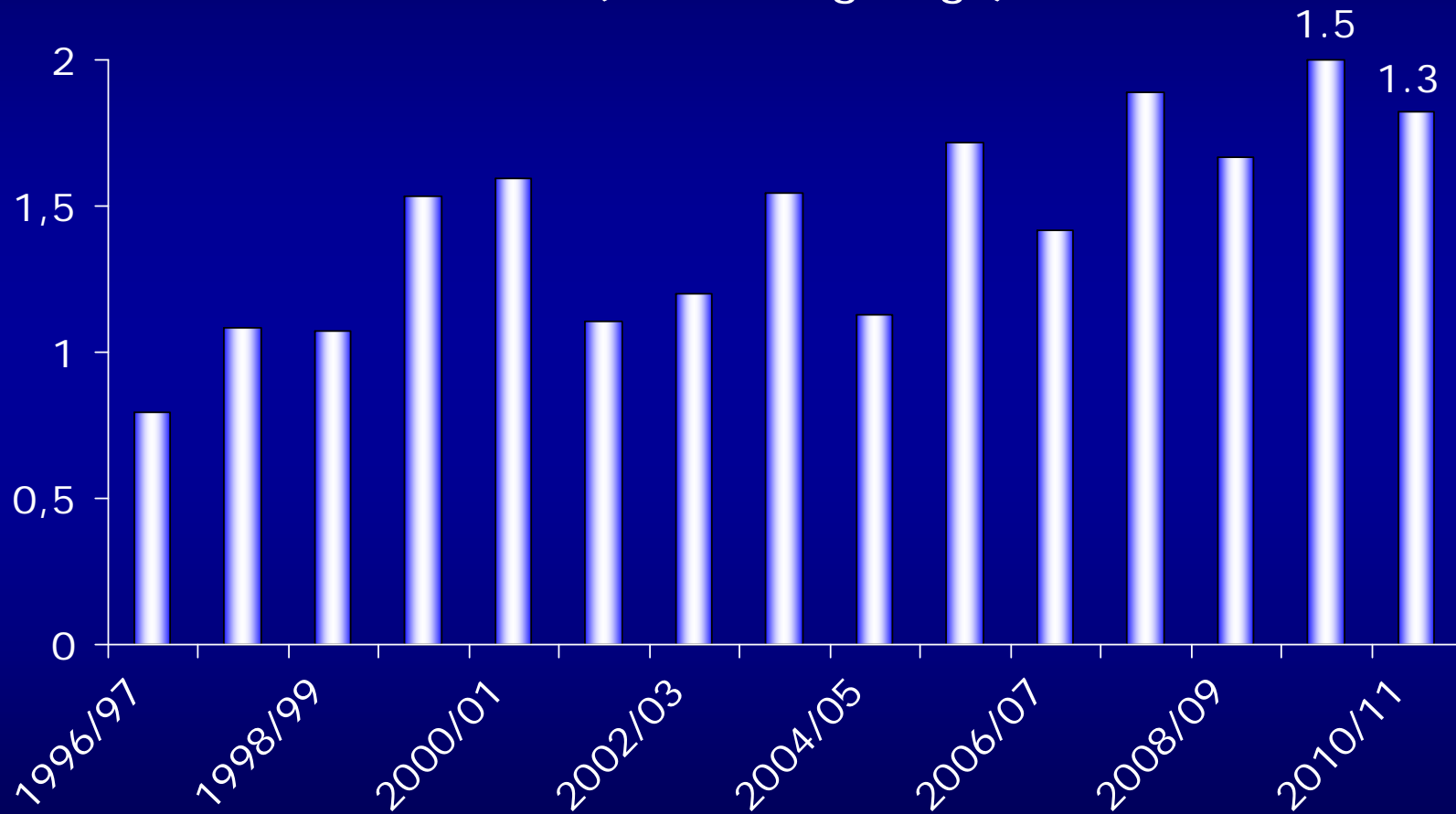
El Salvador: Coffee Production

(mln 60-kg bags)



Nicaragua: Coffee Production

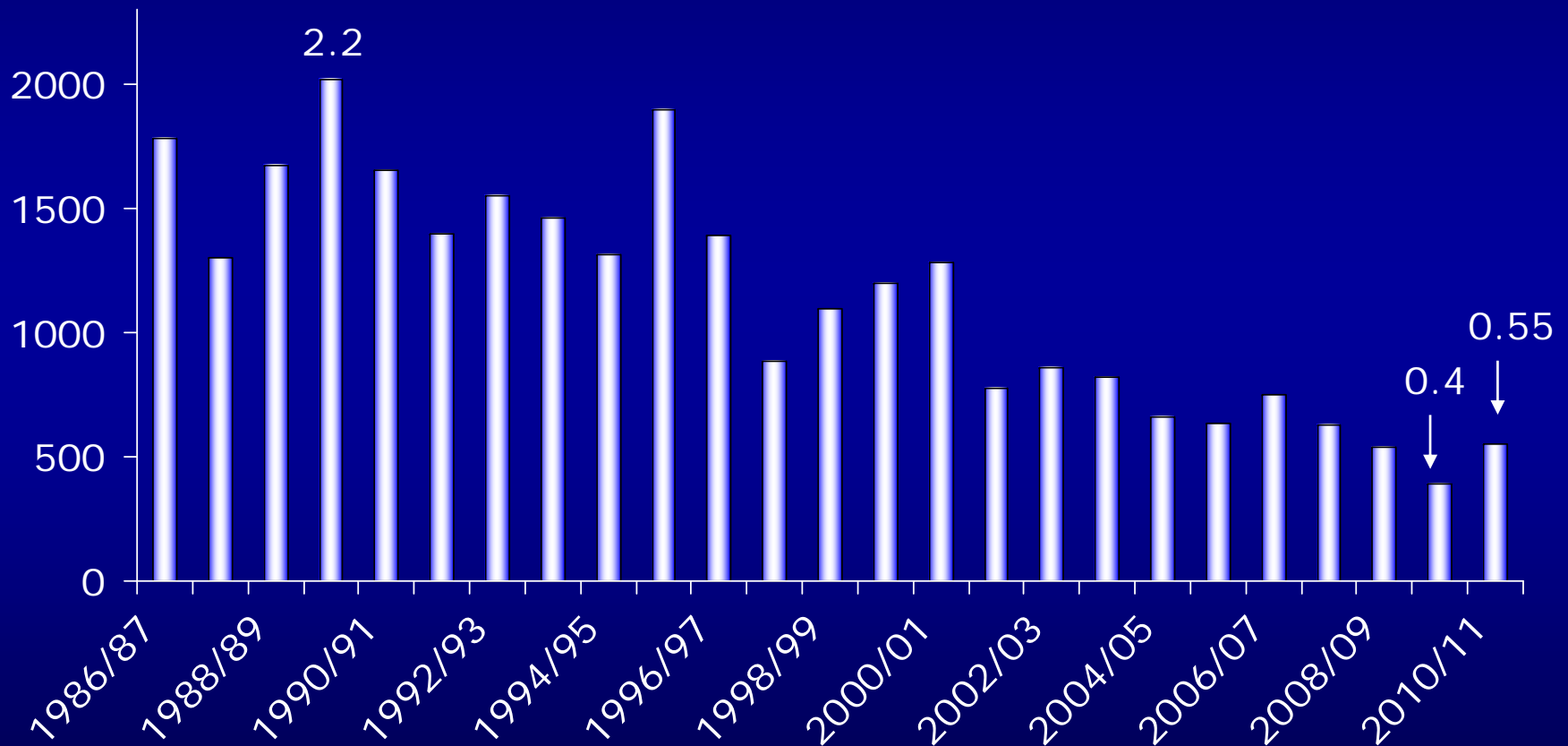
(mln 60-kg bags)



Africa

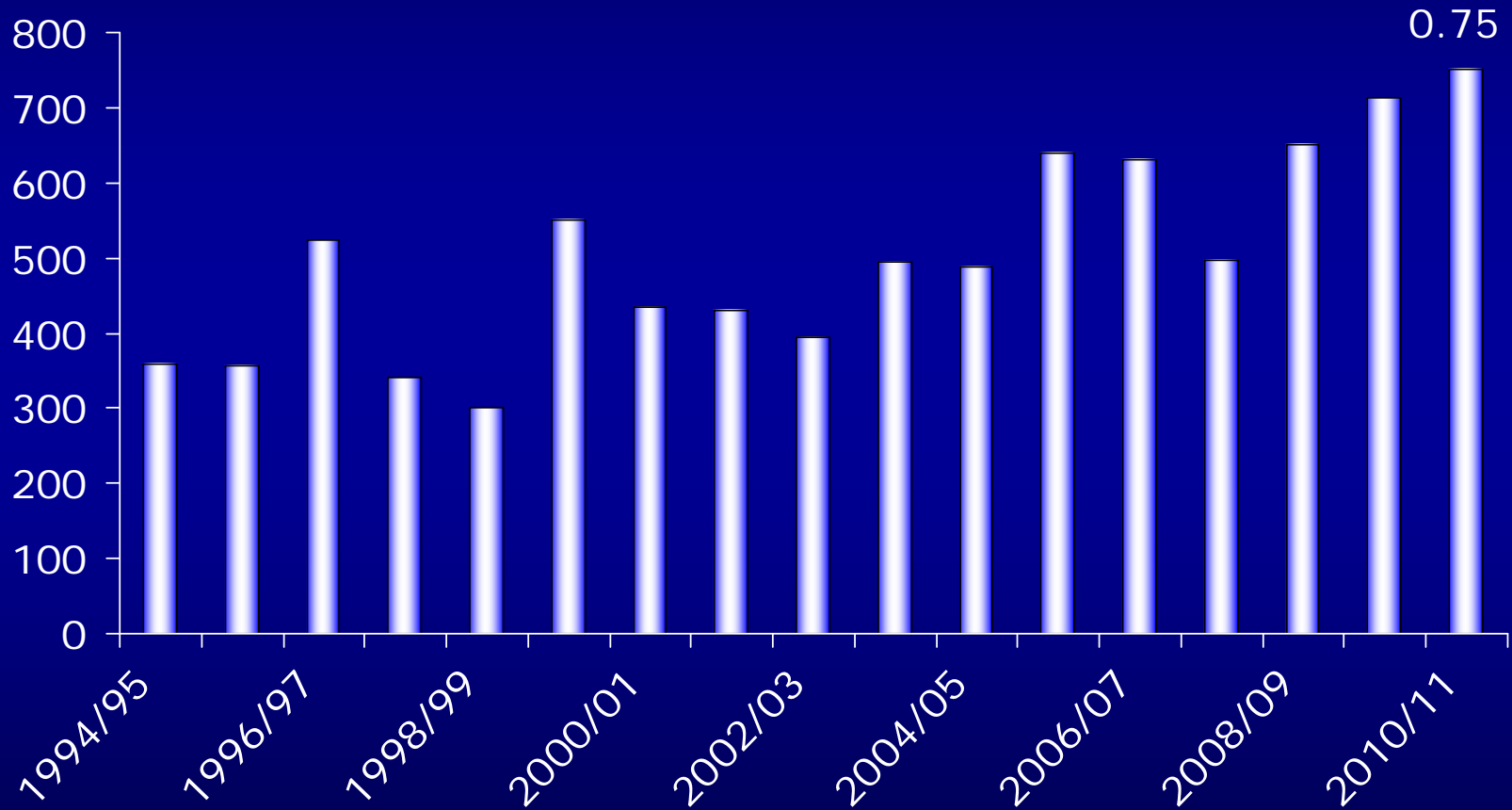
Kenya: Arabica Coffee Exports

(1,000 60-kg bags)



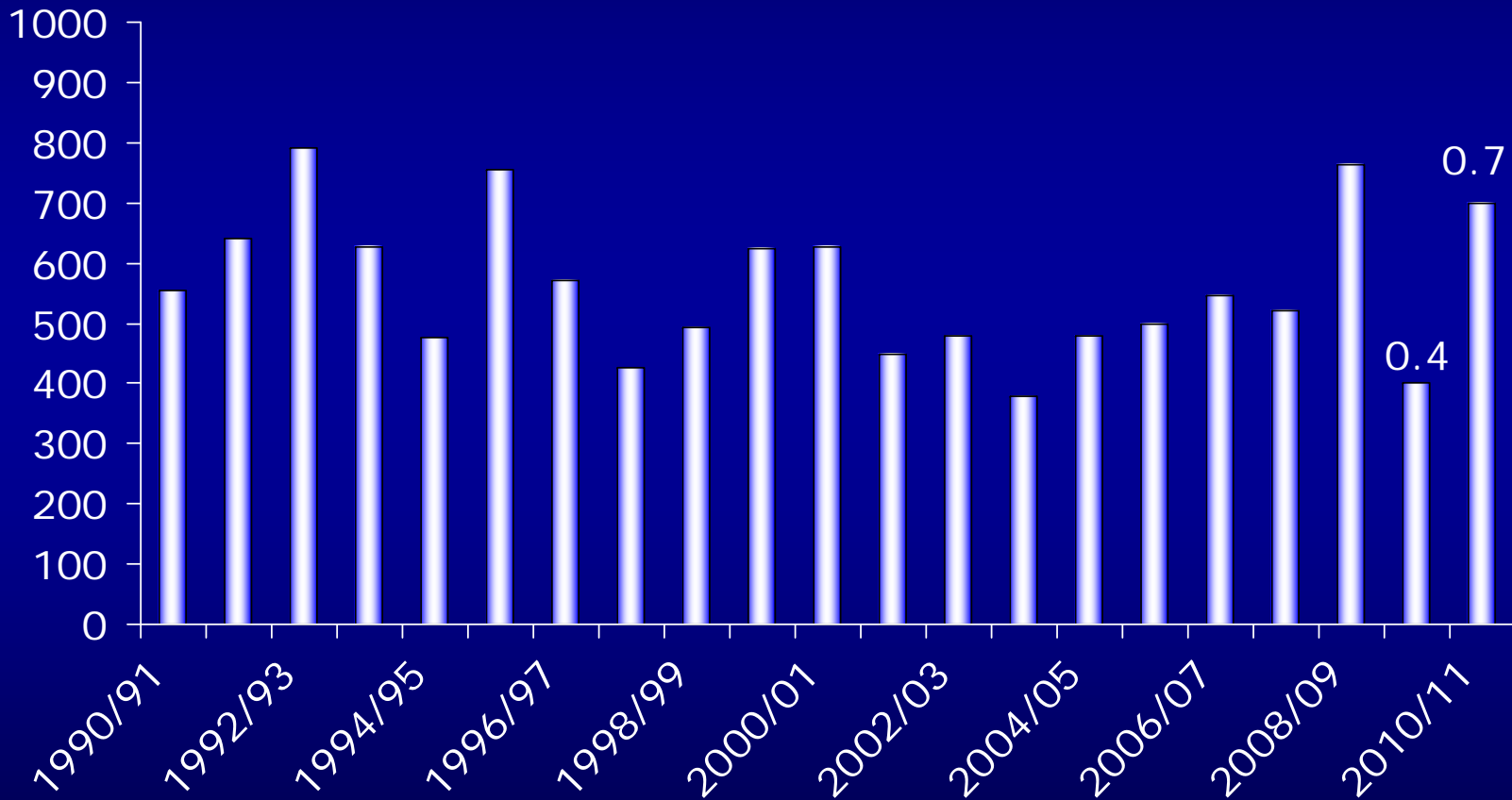
Uganda: Arabica Coffee Exports

(1,000 60-kg bags)



Tanzania: Arabica Coffee Exports

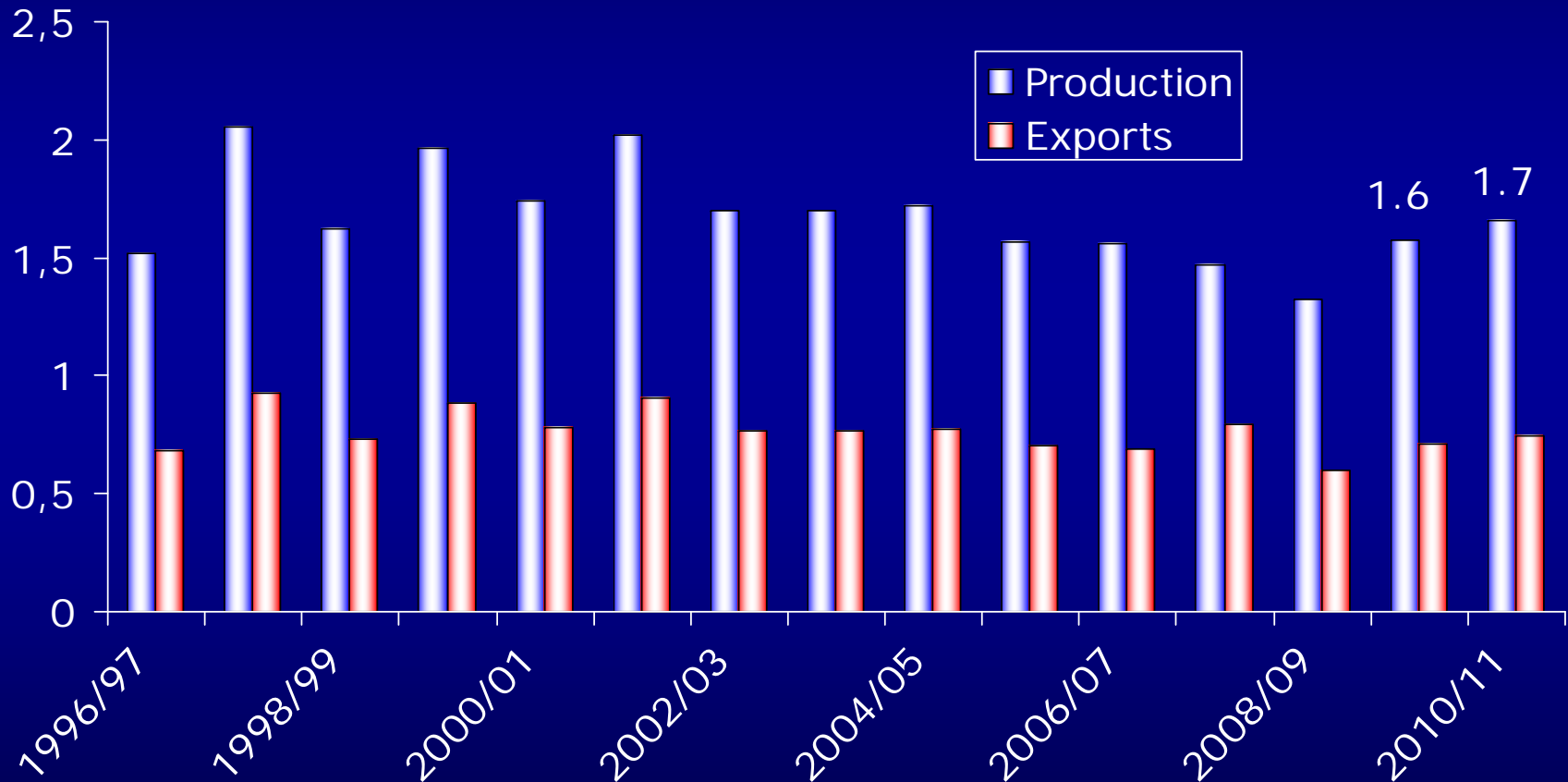
(1,000 60-kg bags)



Asia

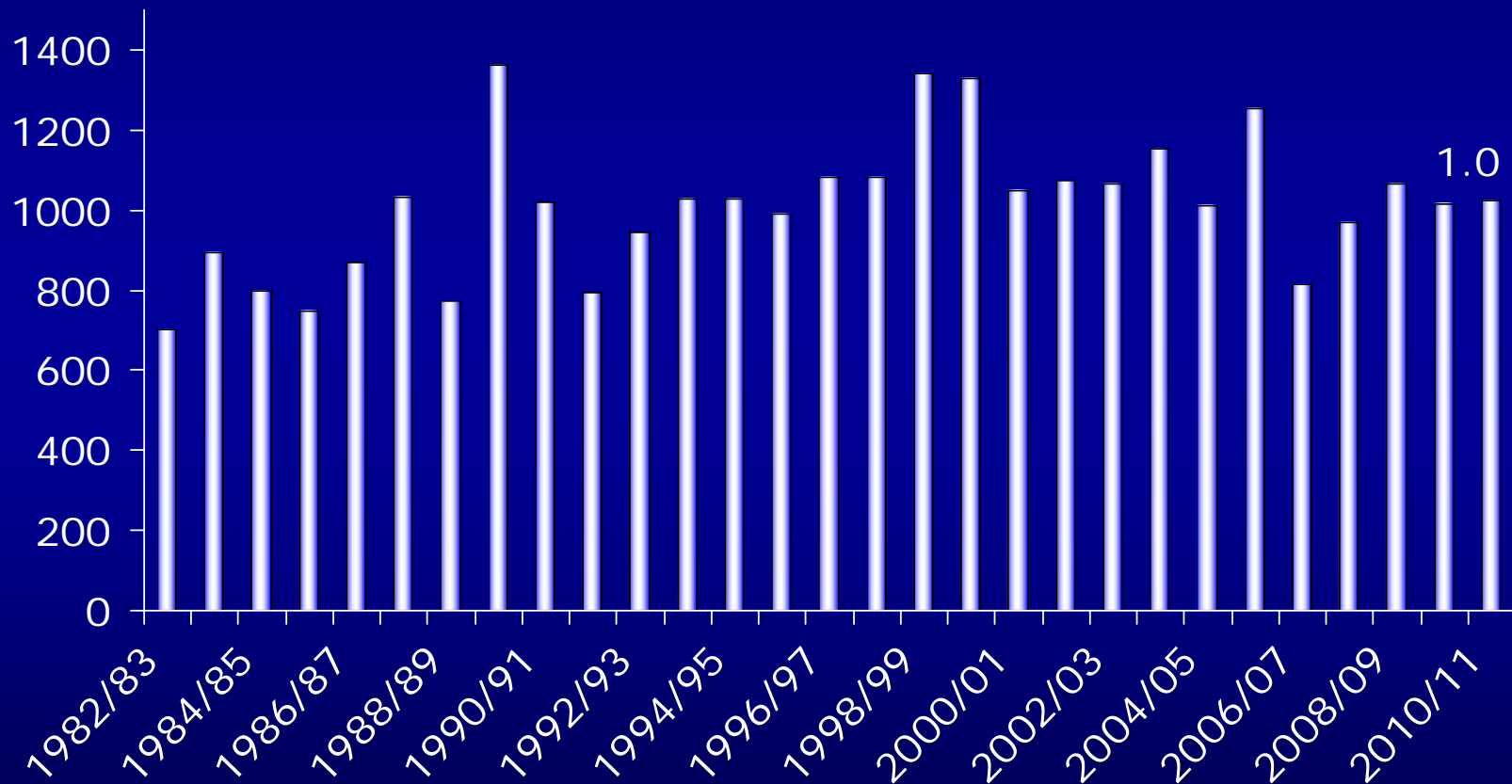
India: Arabica Coffee Production and Exports

(mln 60-kg bags)



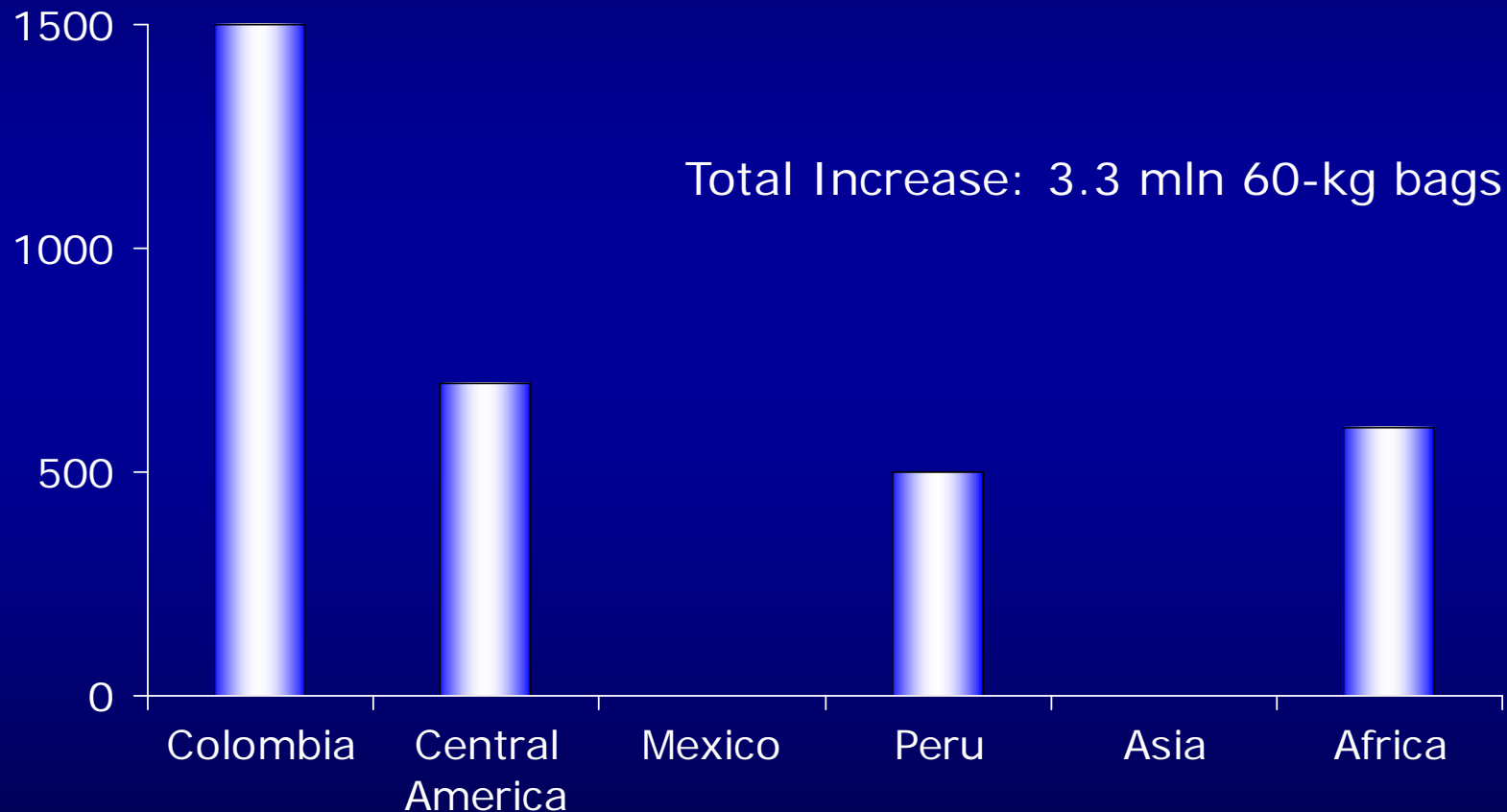
Papua New Guinea: Arabica Coffee Exports

(1,000 60-kg bags)



Change in Washed Arabica Supply 2010/11

(1,000 60-kg bags)



Conclusions

- Global Washed Arabica output may rise by 3.3 mln 60-kg bags in 2010/11, with exports seen rising by the same margin to 33.3 mln bags
- There is no burdensome surplus in sight for 2010/11, but the question will be whether it will be enough to keep the market supplied in Brazil's „off-year“ 2011/12
- There is no margin of error for further cuts to crop outlooks

Coffee Price Volatility during the 1997 rally (US-Cents/lb)



Conclusions

- With stocks having been run down to precariously low levels, nervousness will persist and prices could explode in case of further problems!
- Current high prices may spur new plantings, but the question will be anyway whether global supply can keep up with ever rising global demand!

**Muchas
gracias!**