

WILLIAM O'NEIL INDIA

WORLD COFFEE DAY

Coffee Stocks | Is the 'mug'
half full or empty?



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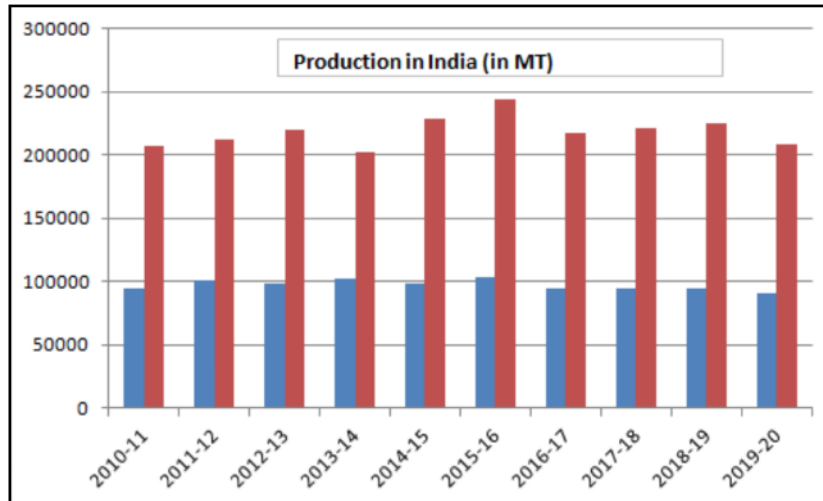
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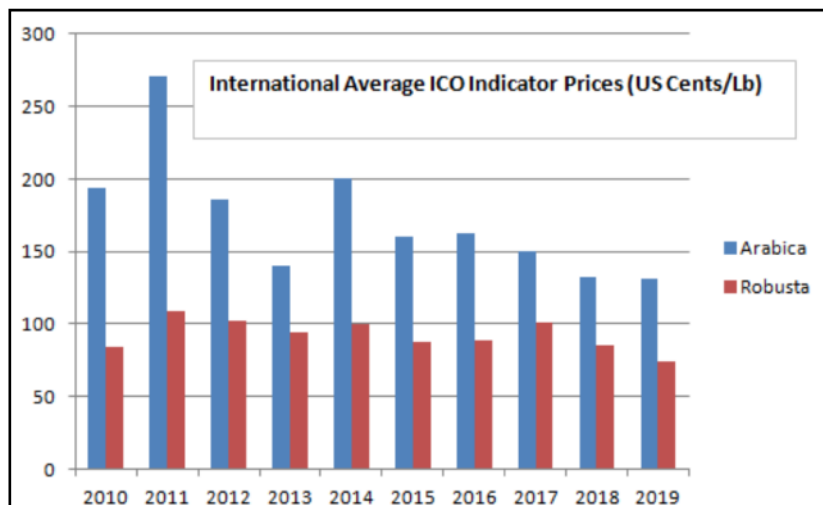
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According to the Coffee Board (Government of India), the saga of Indian coffee began on a humble note, with the planting of 'seven seeds' of 'Mocha' during 1600 AD by the legendary holy saint Baba Budan, in the courtyard of his hermitage on 'Baba Budan Giris' in Karnataka. For quite a considerable period, the plants remained as a garden curiosity and spread slowly as back yard plantings.

India is the sixth-largest producer and fifth-largest exporter of coffee in the world. Last year, India accounted for 3.14% of global coffee production. The coffee production stood at ~300,000 million tonnes (MT) during 2019-20. The coffee export from India stood at ~\$725M during 2019-20. Of the total coffee produced in India, 70% is exported, and 30% is consumed domestically.



Source: Coffee Board of India



Source: Coffee Board of India

Export form India in 2019-20

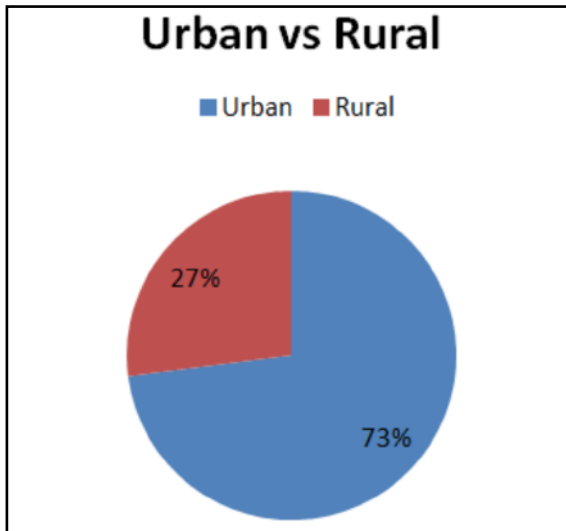
SI No	Destination	Quantity - GBE (In MT)	% to Total	Value ₹ lakhs	Unit Value ₹/Tonne
1	ITALY	49369	18.89	70642	143089
2	GERMANY	27849	10.65	44407	159458
3	RUSSIAN FEDERATION	23762	9.09	39347	165589
4	BELGIUM	15438	5.91	25700	166475
5	POLAND	13172	5.04	18522	140612
6	TURKEY	8029	3.07	11760	146472
7	MALAYSIA	6243	2.39	8646	138503
8	UKRAINE	5712	2.19	7961	139370
9	U.S.A.	5705	2.18	10067	176448
10	SPAIN	5561	2.13	7840	140989

Source: indiacooffee.org

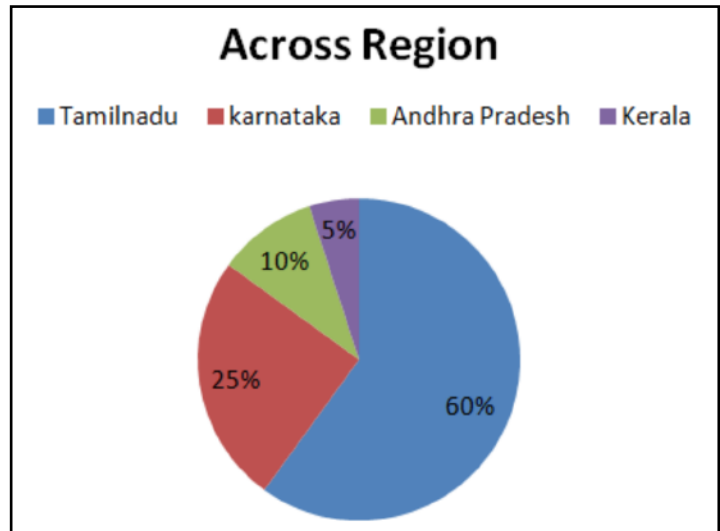
Coffee Consumption Trend in India

In India, coffee consumption grew at an average rate of 2% per annum in the 50 years until 2000. However, post-2000, the coffee consumption gained pace and has been advancing at about 5% per annum. Urban consumption contributes to 73% of total coffee consumption, whereas rural consumption accounts for 23% of total consumption, especially in South India. Further, among the South Indian States, Tamil Nadu contributes the highest, which is 60% of consumption, while Karnataka, Andhra Pradesh, and Kerala account for 25%, 10%, and 5%, respectively. Also, instant coffee consumption takes the lead as compared with filter coffee in the North, East, and West zones. Occasional drinkers in these regions account for 52% of total consumption. However, in the south zone, the consumption of filter coffee is higher than that of instant coffee.

Coffee Consumption in India:



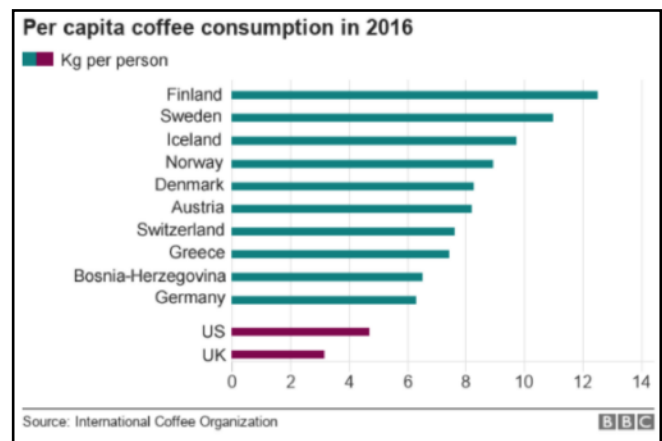
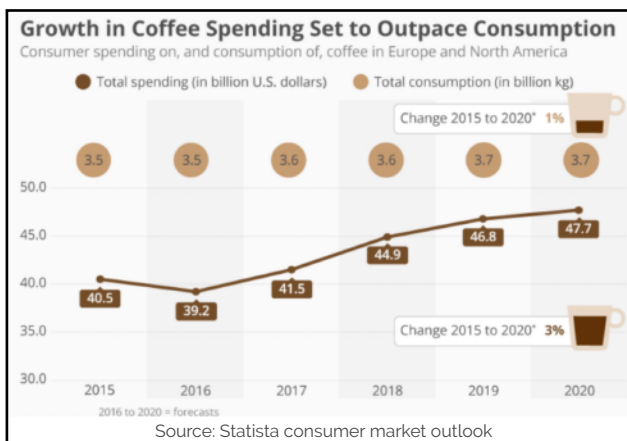
Source: Coffee business intelligence



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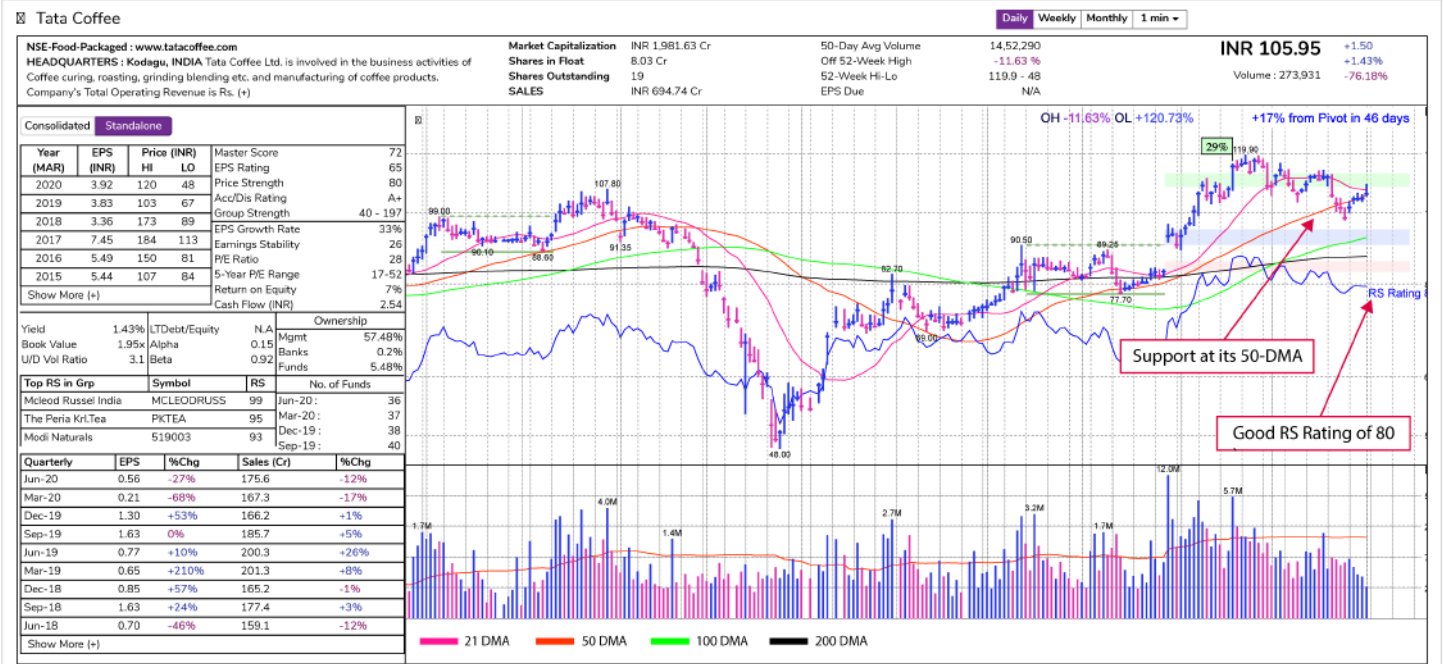
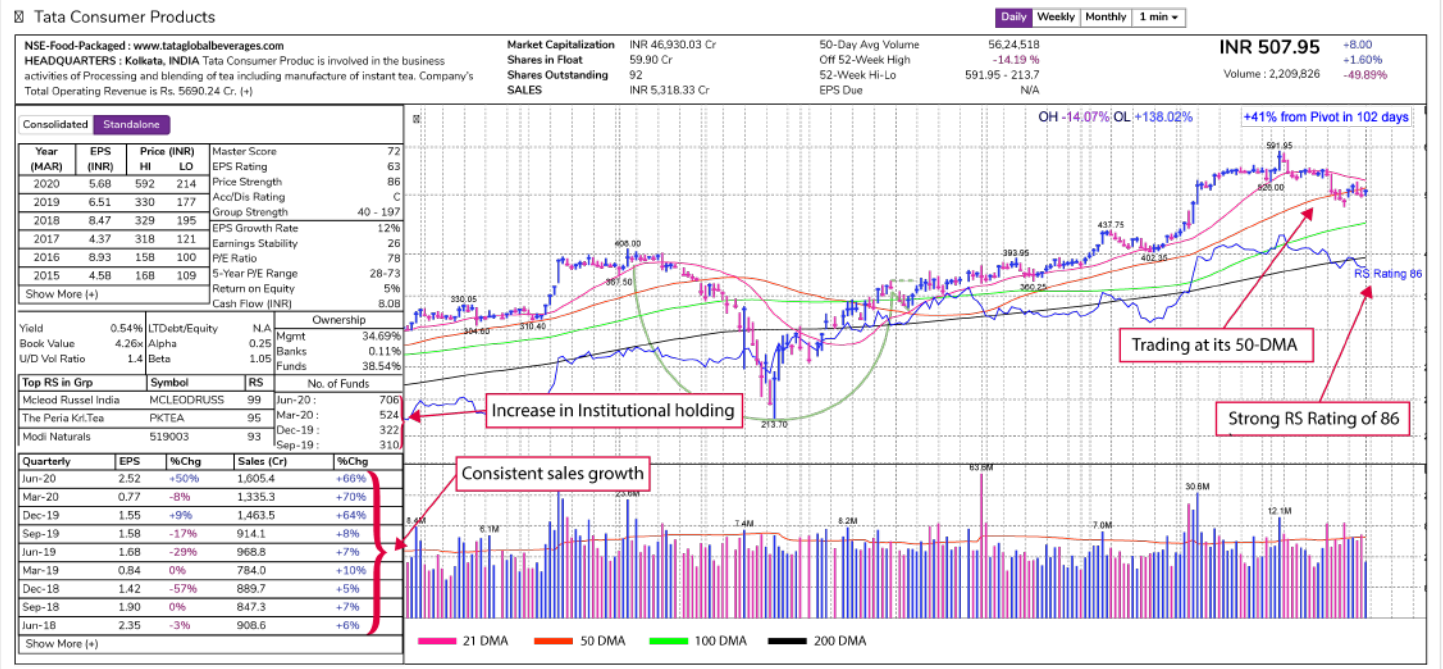
International Coffee consumption Trends:

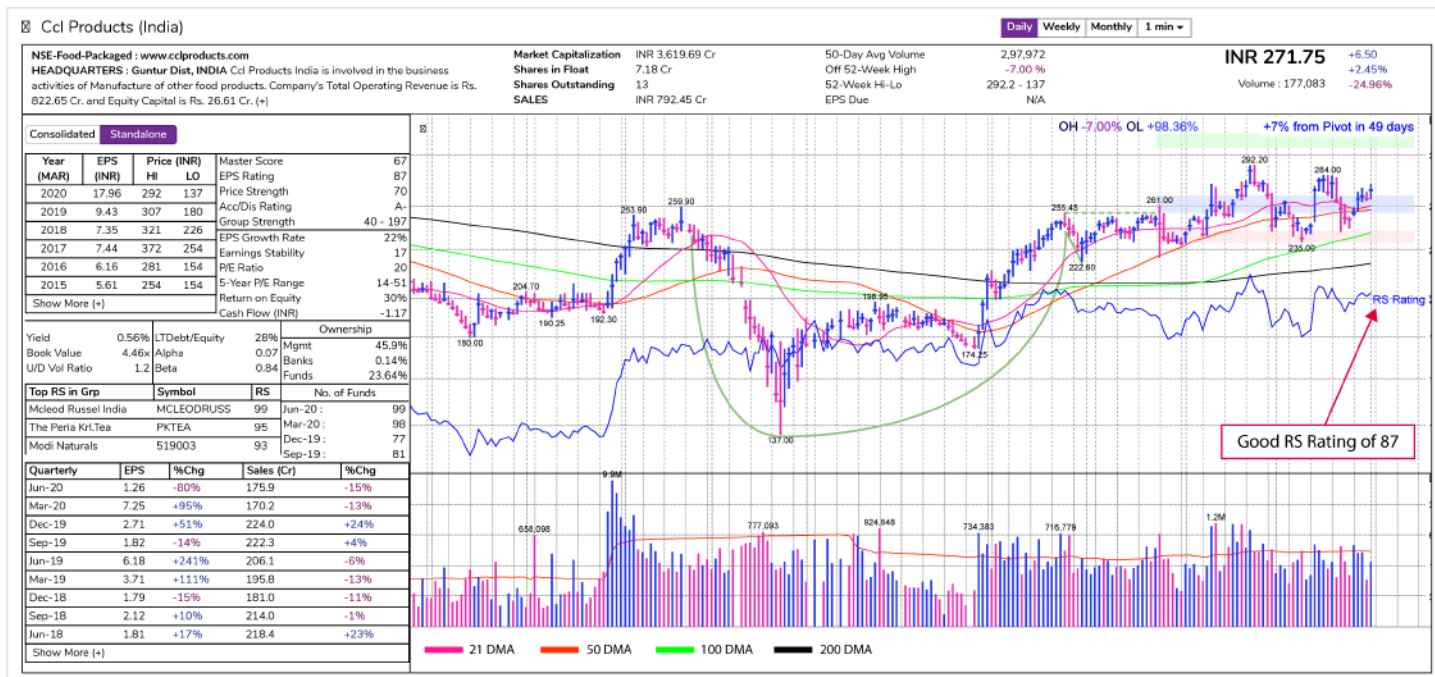
As per a report from NCA, 62% of Americans drink coffee daily, and seven out of ten Americans drink coffee at least once per week. The number of Americans who drink coffee every day has jumped 5% over the past five years, with more Americans inclined to espresso-based beverages and cold brew.



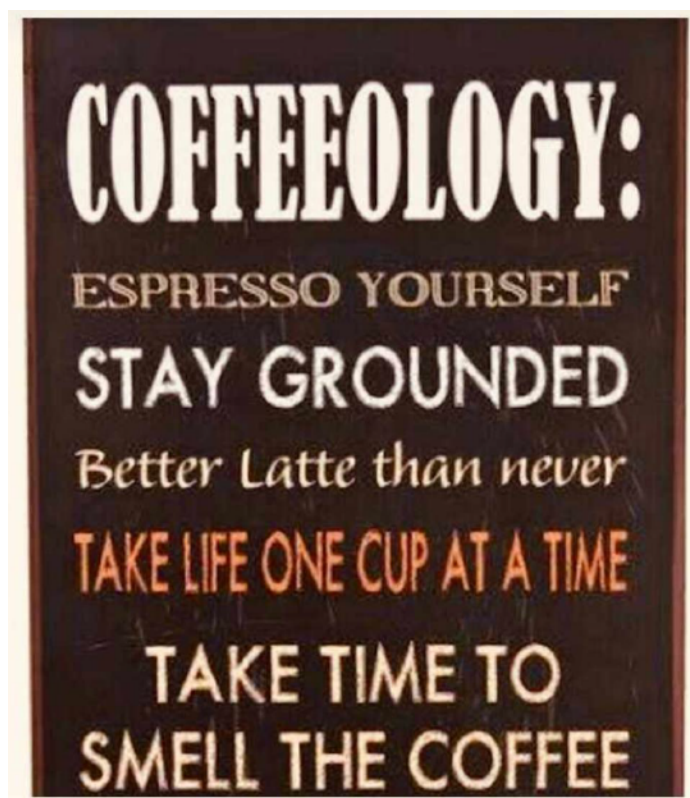
Some Coffee Stocks

for reference and educational purpose





Disclaimer: Please note that these are not stock buy/sell recommendations but from an educational perspective on the stocks related to the coffee sector and how the respective stocks are positioned in the equity market.



Source: WhatsApp Forward

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Analyst ownership of the stock	No

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