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## 1979/80 WORLD COFFEE CROP UP 2 PERCENT

### Summary

The third USDA estimate of the 1979/80 world coffee crop is for a total production of 81.8 million bags (60 kg each). This is 2 percent, or 1.5 million bags, larger than the second estimate and 6 percent above the last revised estimate for 1978/79. Based on past performance, the chances are two out of three that the third estimate of total production will not vary more than 4.2 percent from the final outturn for the year.

In North America, total output in 1979/80 is down slightly from the second estimate, as increases in the Dominican Republic, Guatemala, Honduras, and Mexico were more than offset by smaller estimates for El Salvador and Nicaragua. The main change in South America was for Colombia, where the crop is estimated at 12 million bags, 500,000 bags above previous expectations, but only marginally above the large 1978/79 harvest.

African production is up less than 1 percent from the preceding estimate, but is 6 percent larger than in 1978/79. Angolan production has not shown signs of recovering from the disastrous effects of the civil war. Ethiopia's output in both 1979/80 and 1978/79 has been revised upward, based mainly on recorded trade. The only other major African producer with a changed estimate is Zaire, whose 1979/80 production has been revised upward by 100,000 bags.

In Asia, estimates for both India and Indonesia were increased substantially, raising total regional production by almost 1 million bags. India's crop, if realized, would be a record high, while the sharply improved outlook for Indonesia reflects continued producer response to high coffee prices of recent years.

World coffee exports in 1979/80, based on crop year data for individual producing countries, are estimated at 61.7 million bags, 3 percent below the 1978/79 level. Producer-held stocks at the end of 1979/80 are expected to be 25.1 million bags, slightly above yearend stocks in 1978/79. At the projected level, producer stocks represent less than one-third of estimated derived world consumption (exports plus consumption in producing countries) for 1979/80.

### Production

#### NORTH AMERICA

North American production of coffee in 1979/80 is estimated at 15.4 million bags, with exportable production at 12 million—both up slightly from 1978/79 levels, and just under estimates previously made for 1979/80. El Salvador's crop is down 300,000 bags from earlier expectations, while Nicaragua's is off 17 percent because of civil disturbances. These reductions were nearly offset by increases in the estimates for the Dominican Republic, Guatemala, Honduras, and Mexico.

Coffee production in **Costa Rica** in 1979/80 is estimated at 1.6 million bags, unchanged from the preceding estimate for the crop and 8 percent below the 1978/79 outturn. Cropland devoted to coffee plantings has remained about the same for several years at 81,000 hectares with an average of 3,500 trees per hectare. The decline in yields for the current crop is attributed mainly to the normal cyclical nature of the production cycle.

The Coffee Office has authorized export sales of 1979/80-crop coffee totaling up to 85 percent of the harvested outturn. Based on this, and assuming stocks

will not change greatly, 1979/80 exports one forecast at 1.36 million bags, or substantially below the 1.53 million exported in 1978/79.

Exports of roasted coffee totaled only 4,054 bags, green bean equivalent (GBE) in 1977/78 and perhaps 6,000 bags in 1978/79. However, exports of roasted coffee are expected to increase substantially in the next few years. The Costa Rican Government is constructing a new roasting plant with the capacity of 400 metric tons (6,700 bags) of beans annually. This plant is expected to be in operation by 1981 and will produce for the export market only.

The Government has announced a program to increase coffee production by about 475,000 bags during the next 6 years. The increased output will not come from expanding the total area in coffee, but from planting some 22,500 hectares to a higher tree density and the renovation of 2,500 hectares, according to reports. The Government will provide technical assistance, improved seeds, and credit. The credit is to be channelled through the national banking system and will total 703.9 million colones (\$82.4 million). The financing terms will be at 10 percent interest per year, with a 3-year grace period and 4 years of amortization.

The 1979/80 crop estimate for the **Dominican Republic** is adjusted upward to 760,000 bags. Hurricane David did extensive damage to the crop and to coffee trees in principal growing areas but not as much as initially estimated. The most significant damage was done in the region west of Santo Domingo, which includes areas around San Cristobal, San Jose de Ocoa, and Bani. Trees bearing ripening fruit suffered up to 50-60 percent berry loss in hardest-hit sectors. Many areas reported heavy silting, and damage to secondary roads will cause some difficulties in moving coffee to central market points.

Overall, the nation's loss in coffee is placed at 20-25 percent of the estimated potential outturn of 1 million bags. However, the 1979/80 crop estimate, if realized, would still be larger than production in the "off-year" 1978/79.

The 1979/80 coffee crop in **El Salvador** is now estimated at 2.7 million bags, down 300,000 bags from earlier indications and 10 percent from the excellent 1978/79 outturn. While weather conditions have been good, the 1979/80 crop is not expected to equal the high yields of last year.

Industry sources indicate that yields have increased during the 1970's as a result of denser plantings per hectare, use of improved varieties, increased fertilizer application, and better management practices. Expenditures for such crop improvements reportedly have been diminishing for the 1979/80 growing season, however, owing to the rapid rise in costs and lower availability of investment capital.

Preliminary trade figures for 1978/79 place exports at 3.14 million bags, or one-fourth above those of the preceding marketing year. Principal markets are the United States, West Germany, the Netherlands, Belgium, and Japan.

The f.o.b. price of Salvadoran coffee was about \$206 per 46-kilogram bag in mid-November, compared with about \$195 in July. Prices received by growers per 46-kilogram bag of pergamino coffee (dried coffee beans still in the parchment skin) at the coffee processing plants were \$139 in mid-November, about the same as the July-September average and well above the average of \$108 for April-June 1979.

**Guatemalan** production in 1979/80 is estimated at 2.8 million bags, against 2.7 million for 1978/79. Both crops are up about 100,000 bags from preceding estimates.

There is no change in the estimated area planted to coffee, which is still reported at 248,000 hectares. However, yields are increasing somewhat owing to denser planting of trees and improved cultural practices. On the other hand, labor problems reported recently could affect normal harvesting activities and possibly lead to some crop loss.

Coffee growers, reportedly, have raised wages from US\$2.50-\$3.00 per man/day in 1977/78 to \$4.00-\$5.00 in order to harvest the 1979/80 crop. This extra expense, coupled with higher fuel prices, has raised the average cost of producing 100 pounds of parchment coffee from an estimated \$61 for 1977/78 to an estimated \$70-75 in 1979/80.

In 1978/79, Guatemala coffee exports totaled 2.5 million bags, GBE. The United States was the leading market, taking 44 percent of total shipments, followed by West Germany, the Netherlands, and Belgium. The average f.o.b. price for all coffees exported in 1978/79 approximated \$176 per 60-kilogram bag (about \$1.33 per lb) for a total export value of \$437 million. In 1977/78, the average f.o.b. export price was \$226 per bag, for a total of \$489 million.

Production of coffee in **Honduras** in 1979/80 is estimated at 1.25 million bags, up 100,000 bags from the second estimate and 10 percent higher from the 1978/79 outturn.

The Honduran Coffee Institute (IHCAFE) reports that coffee purchases in 1978/79 totaled 1.13 million bags, or almost 100,000 bags larger than in 1977/78. An increase in the area under coffee, improved cultural practices, new roads into producing areas, and good weather are factors leading to the higher output.

Exports in 1978/79, according to IHCAFE, totaled 1.05 million bags valued at \$176 million. In 1979/80, exports are likely to exceed the 1978/79 volume by as much as 10 percent. The export price during the 1978/79 season averaged \$128 per 46-kilogram bag, compared with \$173 in 1977/78 and \$200 in October 1979, the first month of the 1979/80 marketing year.

Since becoming the leading earner of foreign exchange, coffee has increased in importance as a political and economic factor in Honduras. In 1978/79, the Government received over \$26 million from the coffee export tax alone. Faced with a shortage of financing to harvest the 1979/80 crop, IHCAFE and the Association of Coffee Producers have proposed the creation of a Coffee Bank to serve the needs of coffee growers.

**Jamacia's** 1979/80 production is estimated at 34,000 bags, the largest in many years and more than double the 1978/79 outturn. Reasons for the very favorable outlook include (1) a flush period in the production cycle, (2) good control of coffee berry borer, (3) excellent flowering periods, and (4) improved cultural practices.

Apparently the Coffee Industry Board and the Jamaican Ministry of Agriculture have been successful in their efforts to control the outbreak of the coffee borer. Industry sources state that new-crop beans show very little damage from pests as borne out by improved yields. In past years, the coffee borer has proven costly to growers. During much of 1978 and the early part of 1979, little effort was made to control the pest. However, the second half of 1979 saw the Government initiate a concentrated control program.

The sharp drop in Jamaican coffee production in 1978/79 to only 14,800 bags came during a down year in the coffee cycle, but the crop also suffered considerably from the coffee borer, as well as from insufficient use of fertilizer and poor cultural practices.

The low 1978/79 production was reflected in exports of only 10,000 bags, down from 13,000 in 1977/78. With excellent crop prospects for 1979/80, exports are expected to be up sharply to around 25,000 bags.

Japan has been the principal market for Jamaican exports, with only small quantities going to the United States.

**Mexico's** 1979/80 coffee production is now estimated at 3.9 million bags, which is 100,000 bags above both the previous FAS estimates for 1979/80 and the 1978/79 crop. If crop conditions continue favorable, production could reach 4 million bags or more.

Overall, weather conditions for the new crop have been almost ideal with dry weather in late October-early November possibly contributing to bean quality. Most of the production in Chiapas, the largest producing State with about half of total annual output from about 35 percent of the total area, should be harvested by mid-January. Harvesting in the higher altitudes will continue into March and April.

Exports of all coffee during marketing year 1978/79 is preliminarily given at 3.07 million bags, GBE, or 77 percent more than the volume exported in 1977/78.

Part of the increase in exports came from stocks. It is likely that shipments in 1979/80 will be as large as last year's.

The 1979/80 crop will be more tightly controlled by INMECAFE, the Mexican Coffee Institute, than in preceding years. The increased intervention by INMECAFE, under the new marketing system, is expected to maintain domestic retail prices of coffee at current levels for the remainder of 1979/80 and help to insure adequate supplies for the domestic market. Also, the new system is designed to allow INMECAFE to fulfill Mexico's obligations as a member of the Bogota Group of exporting countries.

Minimum prices to be paid producers for each type and quality of bean will be set at least bimonthly based on the following factors: (1) The international price; (2) export duties; (3) marketing expenses, and (4) the level of "export quota" established for the period. As of mid-November 1979, the minimum support price was set at 2,600 pesos (\$115) per quintal (100 kg) for parchment coffee and 10.25 pesos (\$0.45) per kilogram for cherry coffee. The retail price ceiling through mid-November was 85 pesos (\$3.75) per kilogram for roasted coffee, the same since January 1977.

Since it buys parchment coffee for 2,600 pesos (\$115) per quintal and sells to roasters for around 2,043 pesos (\$90), INMECAFE is subsidizing the domestic consumer by the difference. To finance this subsidy, INMECAFE requires exporters to pay a fee "for the support of the internal market" for each bag exported. This fee, now 125 pesos per quintal (6 cents per kg), also helps to support the export price.

**Nicaragua's** 1979/80 crop estimate is reduced to 960,000 bags, or about 6 percent less than the revised estimate for the preceding year. Cultural practices were affected somewhat by the civil war, while rains in September and October were considered to be somewhat excessive.

For 1978/79, estimates of planted and harvested area remains at 107,000 and 94,000 hectares, respectively. Apparently little change occurred in the planted area for 1979/80, but there should be some increase in the harvested hectareage.

Because fire destroyed the office of the Coffee Institute, records on exports for part of 1978/79 are not readily available. However, informal estimates place 1978/79 exports at 992,000 bags, including 15,000 bags (GBE) of soluble coffee. Recently, a new semiautonomous national organization, Empresa Nicaraguan Coffee Institute, ENCAFE, has been established, replacing the Nicaraguan Coffee Institute (INCAFE). ENCAFE is still in the process of reconstructing trade data for the 1978/79 season.

ENCAFE will market the 1979/80 coffee crop. Producers will be able to sell to ENCAFE at daily prices based on world spot prices minus applicable charges

and taxes. The new Government also has established a progressive ad-valorem export tax on coffee. In addition, the Government has established a Coffee Fund designed to provide the producer with a fair price. The Fund will provide facilities outside of official channels to create development opportunities for coffee growers and other agricultural producers. Support to the Coffee Fund from coffee exports is at the same rate, but is in addition to, the export tax.

The Ministry of Agricultural and Livestock Development is responsible for the coffee leaf rust (*Roya*) control program. The existing quarantined areas have been enlarged to ensure continued control. The program is being intensified but, reportedly, shortages of chemicals and vehicles have hampered these efforts. An international rust team is scheduled to again survey the rust situation.

Coffee production in **Trinidad and Tobago** in 1979/80 is expected to total about 38,000 bags, down from 39,000 in 1978/79 for the third straight year of declining output. Last season's crop was reduced by excessive rains after a period of drought. Lack of labor for harvesting the crop is expected to contribute to the decrease seen for this year.

Total exports for 1978/79 reached 29,000 bags, slightly more than in 1977/78. The bulk of the sales went to the United Kingdom, followed by the United States and Barbados.

The Government has made well-publicized efforts to stimulate coffee production by a series of incentive programs. However, little progress has been made, and the outlook so far is for further declines in the total crop. The major problem appears to be a shortage of labor, especially for the larger grower.

## **SOUTH AMERICA**

Production of coffee in South America for 1979/80 is estimated at 38.7 million bags, up 700,000 bags from the second estimate and 7 percent larger than the 1978/79 outturn. Exportable production also is comparably higher than the previous estimate. A substantial upward revision in both the current and the 1978/79 crops for Colombia account for most of the change, although crops in Ecuador and Venezuela also are larger.

The 1979/80 **Colombian** coffee crop is estimated at 12 million bags, up 500,000 bags from the second estimate, but only slightly above the revised estimate for 1978/79. Production of coffee is expected to stabilize around the current level for the near future. Some new areas will come into production during the next several years, but the main impact of plantings made in 1976 is assumed to have already occurred.

The area planted to high-yielding varieties is estimated at 285,000 hectares, with an average tree density of 5,000 per hectare. For these plantings, the average yield of green coffee per hectare is estimated

at 1,500 kilograms, or 25 (60 kg) bags. The average yield per hectare in the traditional producing areas—about 868,000 hectares—is 350-400 kilograms.

The record production performance in 1978/79 was due mainly to favorable growing conditions plus an increase in the total area in coffee and the number of bearing trees. Heavy rains late in 1979 could adversely affect the upcoming spring harvest in some of the main producing regions.

Since June 7, 1979, the Coffee Growers Federation (CGF) has been the sole exporter of Colombian coffee by means of an agreement between the Treasury Ministry and CGF. Initially, the agreement was to exist for only 60 days, but the CGF was still the only exporter as of early November.

In 1978/79, official exports totaled a record 11.4 million bags, about 50 percent higher than exports during 1977/78. Exports reached this volume because of large beginning stocks in October 1978, the outstanding production registered, and joint effort by the CGF and the port authorities to move shipments quickly. Buenaventura was the main seaport for coffee exports, with 60 percent of the total; followed by Santa Marta, 24 percent; and Cartagena, 16 percent.

Total foreign exchange earnings from coffee exports are estimated at \$2.1 billion during the 1978/79 marketing year, or 17 percent above revenues of the preceding year. The United States was the main single outlet with 3,892,107 bags, 59 percent more than in 1977/78 and one-third of Colombia's total shipments. European countries took 6,811,892 bags, or about 60 percent of the total.

Official exports in 1979/80 are presently expected to reach 10 million bags. Contraband coffee shipments are estimated at 400,000 bags for both 1978/79 and 1979/80, down somewhat from preceding estimates of illegal trade.

In November, an earthquake reported at 6.5 on the Richter scale, occurred in some of the important coffee areas of Colombia. At the time of writing, the full extent of damage to persons and property was not known. However, preliminary reports indicate little, if any, damage was done to coffee plantings. Extensive rainfall and some major flooding also were reported, which along with the earthquake further hampered movements of coffee to processing centers and to ports for shipment to foreign markets.

**Brazil's** production in 1979/80 (1979 crop) continues to be estimated at 22.5 million bags, compared with 20 million bags in 1978/79 and 17.5 million bags in 1977/78. The preliminary forecast for the 1980/81 crop remains at 20-22 million bags. The frost of May 30-June 1 weakened coffee trees in the affected areas and reduced their capacity to hold a normal load of new-crop cherries. As a result, a certain percentage of newly set cherries probably will fall a few weeks after flowering and setting.

Crop estimates for recent years in Brazil include up to 1 million bags of Robusta coffee, which is used for both domestic consumption and for export. However official production figures for Robusta are not separately reported by the Brazilian Coffee Institute (IBC). Traditionally, Brazil produces the Arabica variety of coffee.

Preliminary trade data place Brazil's coffee exports during January-October 1979 at 9.65 million bags, including the green equivalent of 2 million bags of soluble coffee. Foreign exchange earnings from these exports totaled \$1.64 billion. Brazilian exporters are not optimistic about the possibility of reaching the revised IBC estimate of \$2.2 billion for the full 12 month period, in part because Brazil's minimum export price has not been competitive with other sources' prices.

Through late November, the IBC's only incentive to encourage coffee exports has been to freeze the value of the contribution quota (or export tax) at \$147 per 60-kilogram bag, despite continuing devaluation of the Brazilian cruzeiro.

The IBC subsequently permitted discount sales to traditional customers, according to reports, selling 1 million bags of coffee by the end of the first week in December. The IBC reportedly will continue to grant special discounts on soluble coffee exports.

On December 7, Brazil devalued its currency by 30 percent. Accordingly, coffee export registrations were suspended until December 11, to allow the IBC to make adjustments in its marketing policy to reflect this action.

Effective October 26, 1979, the National Monetary Council (CMN) approved an increase in the support price to coffee growers from Cr\$3,000 (\$94) to Cr\$3,800 (\$119) per 60-kilogram bag. The CMN also set the support price at Cr\$4,200 (\$132), effective February 1, 1980. Coffee growers are entitled to receive loans on the basis of 80 percent of the support price in force.

Reportedly, the IBC has requested the International Coffee Organization (ICO) to help Brazil monitor its coffee exported through Paraguay. The Brazilian coffee trade estimates that a minimum of 400,000 bags of Brazilian coffee were smuggled into Paraguay and exported to the United States and other markets as Paraguayan coffee during the first half of 1979. Some sources have placed total 1979 contraband through Paraguay at up to 1.5 million bags. The Brazilian Government has increased its patrols and control measures along the Brazil-Paraguay border to reduce this illegal traffic.

(In the first 9 months of 1979, U.S. trade data show imports from Paraguay totaled 463,900 bags valued at \$80.5 million, compared with 198,938 bags valued at \$33 million in calendar 1978 and 16,481 bags worth \$4.2 million in 1977. Paraguayan exports, as reported

to the ICO, for April-March 1978/79 were 92,000 bags, and for 1977/78, 32,000 bags.)

Ecuador's 1979/80 crop is estimated at 1.7 million bags, or about 7 percent below the 1978/79 outturn, in part because flowering was affected by the drought conditions in producing areas. The dry weather also delayed harvesting as coffee cherries were ripening later than usual.

Exports during 1978/79 are estimated at 1.7 million bags, sharply above shipments of just under 1 million bags in 1977/78. Contraband shipments were reported to be reduced, both into and out of the country, from preceding levels. This is due in part to better control measures at border points as producing countries in Latin America are taking special steps to prevent any further spread of leaf rust, or Roya.

The new government that took office in August 10, 1979, called for a complete review of agricultural policies, and coffee, as a major source of export revenue, was high on the list. Changes were made in both personnel and programs in the National Coffee Program at all department levels.

Venezuela's 1979/80 coffee production is estimated at 1.15 million bags, or 13 percent more than the revised estimate for 1978/79. Even though labor problems persist, the 1979/80 crop outlook remains favorable owing to good weather and the added output to be provided by some 7,000 hectares of young trees that have reached bearing age. In 1978/79, the area planted to coffee was estimated at 273,500 hectares, of which 252,600 hectares were harvested.

Exports in 1978/79 were reported at 231,594 bags, or 14 percent greater than in the preceding marketing year.

The National Coffee Producers Association is requesting a price increase for growers, stating that the production costs for fine washed coffee has increased substantially in the past year. The Government already has been subsidizing coffee production, and any change in price policy would tend to increase the support level. According to National Coffee Fund officials, Venezuela plans to develop some 30,000 hectares for the production of coffee in the next 5 years.

## AFRICA

African coffee production in 1979/80 is estimated at 19 million bags, with exportable production at 16.5 million. These volumes are only slightly higher than previous estimates for the year and 6 and 8 percent, respectively, above the corresponding total and exportable production estimates for 1978/79. Available information indicates that Angolan production is significantly less than previously carried, but this has been offset by increases in the estimates for Ethiopia and Zaïre.

**Angola's** 1979/80 crop (April-March year) is now estimated at 700,000 bags, down from earlier estimates of 1 million bags, based mainly on industry reports that continue to place both this year's crop and the 1978/79 outturn at very low levels. The estimate of the 1978/79 crop has been reduced to 613,000 bags, less than half that of the preceding year.

Reportedly, one of the main reasons for the low outturn of recent years is the lack of workers for the larger coffee plantations. Production on small, family-type farms of 1 to 2 hectares was not as affected by disturbances caused by the civil war as were the larger operations. However, lack of adequate marketing facilities and poor roads led to product deterioration and storage losses.

Angola expects to export 70,000 tons (1.17 million bags) of coffee in the 1979/80 marketing year, some of which have to come out of stocks. In comparison, Angola exported 221,000 tons (3.7 million bags) in 1974 valued at \$247 million.

**Ethiopia's** production in 1979/80 is now estimated at 3.2 million bags, the same as in 1978/79. Both crops have been revised upward by 200,000 bags from preceding FAS estimates, owing in part to a comparable increase in exports for 1978/79. With relatively high coffee prices predicted for 1979/80, it is likely that growers will have sufficient incentive to maximize the harvest.

For the coffee year ending September 30, 1979, Ethiopia exported about 85,000 tons, or 1.4 million bags, valued at approximately \$300 million. This makes coffee by far the principal earner of foreign exchange, accounting for about 80 percent of total export earnings. In 1977/78, exports were 1.23 million bags valued at \$280 million.

This heavy reliance coffee, a price-volatile commodity, is of major concern to Government planners. Efforts have been made to obtain a greater diversity in exports, but these have met with little success so far.

**Ghana's** 1979/80 coffee production is estimated at 58,000 bags, the same as in 1978/79. The latter crop is down somewhat from the preceding estimate, owing to an unusually long rainy season and a high incidence of disease. Rainfall also was excessive for the 1979/80 crop.

There has been no significant change in the attitude of farmers toward increasing coffee production. Prices are favorable, however, and the next 4 years will determine whether the Government's policy to expand production has been successful.

Output in the **Ivory Coast** in 1979/80 continues to be estimated at 4.8 million bags, or about 4 percent above the 1978/79 outturn. Area planted to coffee appears to have stabilized for the time being at just under 1.3 million hectares. In the meantime, the

average age of plantings has increased as there have been very limited plantings of new trees.

Based on early indications, exports of coffee during October-September 1979/80 are forecast at 4.8 million bags, or slightly above the 4.7 million estimated for 1978/79. During the first 6 months of 1979, coffee accounted for 31 percent of the total value of Ivoirian exports.

Fifteen new decorticating plants will be operating during the 1979/80 season. These will process about 90 percent of the crop. Growers may be anxious to market their cherries as soon as possible, but the decorticating plants are limited in daily throughput, which could cause some delays in the movement of green coffee to export points.

The Government raised the producer guaranteed price for green coffee by 20 percent to CFAF 300 per kilogram (65 cents per lb), effective October 1, 1979. On this basis, growers are paid CFAF 150 per kilogram for cherries delivered at decorticating plants.

The Government has approved a program under which coffee growers with plantations between 8 and 15 years old will be granted a premium of CFAF 60,000 (US \$280) per hectare for regenerating their orchards. To qualify for the premium, growers will be required to prune back existing trees, resulting in a temporary loss of production but higher yields in 2 or 3 years.

The coffee regeneration premium will be paid in three stages: (1) CFAF 20,000 per hectare in advance of the work; (2) CFAF 20,000 on completion of pruning; and (3) CFAF 20,000 a year afterward if the grower properly maintains the area under the program. The new program apparently fits the Government's objective of stabilizing the country's coffee area. It contrasts with the cocoa expansion program, which allows a CFAF 60,000-per-hectare premium for planting new areas to cocoa.

**Kenya's** production for 1979/80 remains estimated at 1.25 million bags, although this may prove to be on the high side. October 1979 rainfall over much of Kenya was well below average and far less than in 1977 and 1978. Also, the "short rains" are late, which usually results in below-average rainfall for the year. A sharp drop in total precipitation would adversely affect the main crop harvest and, ultimately, total output for the 1979/80 season.

Production for 1978/79 has been revised upward to 1.2 million bags. This is due to larger than estimated deliveries from Meru, Kisii, and Machakos coffee societies. During 1978/79, coffee deliveries from the societies accounted for 63 percent of total production, with the remainder coming from the estate sector.

The Kenya Planters Cooperative Union (KPCU) presently has a membership of about 150 societies and many private estate owners. In all, KPCU caters to approximately 300,000 growers. Facilities for



members include storage, financing, milling, and public relations. A service organization, the KPCU mills member's coffee and passes it on to the Coffee Board of Kenya, which is the sole body empowered legally to market all coffee grown in Kenya.

Coffee exports in 1978/79 (October-September) are provisionally reported at 1.28 million bags, earning about \$285 million in foreign exchange. This compares with exports of 1.4 million bags valued at \$309 million in 1977/78 and 1.5 million bags valued at \$519 million in 1976/77. Exports in 1979/80 are forecast at about 1.25 million bags.

West Germany continues to be the largest importer of Kenyan coffee, with about 30 percent of total sales. Other important customers include the Netherlands, the United States, Sweden, and the United Kingdom.

With the fall in world coffee prices between 1977 and 1978, prices received by Kenyan farmers for green coffee dropped from an average of K£1,938 per metric ton (\$2.35 per lb) in 1977 to K£1,370 in 1978 (\$1.66 per lb). The downward trend continued through October 1979 with the overall average price to farmers being K£1,262 (\$1.53 per lb).

The Government has introduced rehabilitation programs to increase coffee output on farms as needed. The program also includes the modernization of old coffee processing plants and the building of new ones. The emphasis in the program is to increase yields per hectare harvested and to continue with the improvement and maintenance of the quality of Kenya coffee.

**Rwanda's** coffee production in 1979/80 is estimated at 380,000 bags, up from 311,000 in 1978/79. Coffee is the most important export crop, accounting for more than half of Rwanda's export revenues in recent years.

In 1978, coffee exports were valued at about \$70 million. OCIR/CAFE (Office des Cultures Industrielles du Rwanda), the coffee marketing organization, has mounted a major effort to provide insecticides (solicited by international tender) and extension services to Rwanda's 400,000 independent coffee farmers. The Government has been concerned about decreasing yield and quality and hopes to improve this situation through the OCIR program.

The United States usually buys more than half of Rwanda's exportable coffee, but in recent years, a growing proportion has gone to European customers.

**Zaire's** coffee production in 1979/80 is estimated at 1.4 million bags, or 100,000 bags more than the 1978/79 outturn. Prices are considered good, and production should continue to creep upward. However, difficulties in transportation and a severe shortage of producer inputs have tended to reduce expectations for even larger harvests.

Smallholders in readily accessible areas have steadily expended their area in coffee since 1976. In the estate sector, there has been some rehabilitation

of abandoned plantations, but little or no replantings or new plantings. Coffee yields in the estate areas have been declining as a result of plant disease and impoverishment of the soil, as imports of pesticides and fertilizers have been severely curtailed as the result of foreign exchange shortages. Nevertheless increased production by smallholders has made up for the reduction in crop size in the estate sector.

Coffee exports in 1978/79 are estimated at 1,125,000 bags, down 5 percent from 1977/78. Shipments from Eastern Zaire were somewhat hampered by the closure of the transit route through Uganda, but the decline in registered exports is attributed, in part to the high rate of smuggling.

Intensive competition among private firms in need of foreign exchange for imports has brought coffee prices to producers to much higher levels than the official price.

## ASIA AND OCEANIA

The combined 1979/80 output of coffee in Asia and Oceania is estimated at 8.6 million bags, with exportable production at 6.3 million. These quantities are up substantially from second estimate totals and are 5 percent higher than total and exportable outturns for 1978/79. Crop prospects in India and Indonesia have greatly improved, in part, owing to favorable growing conditions and better management practices.

**India's** production of coffee in 1979/80 is estimated at 2.2 million bags, a new record if realized and 14 percent above the 1978/79 output. Good rainfall, has greatly improved the crop outlook over earlier indications when drought conditions prevailed. In 1978/79, the total area planted to coffee is estimated at 188,000 hectares, from which approximately 1.12 million bags of Arabica coffee and 828,000 bags of Robusta coffee were harvested.

In addition to the Coffee Board's existing developing schemes for promoting coffee cultivation, further credit was extended to small coffee growers, effective July 1979. All registered coffee growers of 10 acres (4 hectares) and below are eligible for loans of up to 20,000 rupees (\$2,454) for intensive cultivation, replanting, and other development purposes. Small growers now account for 48 percent of the national production, up from 35 percent a few years ago.

With a record 1979/80 crop in prospect and present high prices, exports during this season may reach 1.2 million bags, as compared with 1.1 million in 1978/79. On August 4, 1979, the export duty on coffee was reduced from 900 rupees (\$110) to 730 rupees (\$90) per 100 kilograms.

A massive extension program for the development of new coffee areas in the northeastern states, India's leading tea growing region, is being undertaken by the Coffee Board in collaboration with respective state governments. The Board has set up a 260 million

rupee (\$32 million) plan to bring some 15,000 hectares in 10 states under cultivation by 1982/83, generating employment for about 40,000 persons.

The National Commission on Agriculture has recommended that the country should double coffee production by the turn of the century, increasing the present area under coffee by about 130,000 hectares. Of this, the producing States of Karnataka, Kerala, and Tamil Nadu would account for about 58,000 new hectares, with the rest by the nontraditional regions.

The estimate for **Indonesia's** 1979/80 crop is revised sharply upward to 4.75 million bags, or slightly higher than the excellent 1978/79 outturn. The favorable outlook for the current crop year and the large harvest which preceded it are due to a combination of good growing conditions, better management practices, and several years of high prices. This production-response momentum is likely to continue into 1980/81 if prices remain reasonably high, as trees planted in 1975/76 should begin to bear significantly.

Exports in April-March 1978/79 are estimated at 3.7 million bags, up one million bags from shipments in 1977/78. In July 1979, export duties on coffee were increased overall by more than 500 percent. This could adversely effect total trade during the year. Export prices were increased from \$2.80 to \$3.46 per kilogram, and the export duty on Robusta coffee was increased from 5 percent to 16.9 percent. Reportedly, the gross export tax for Robusta coffee, as of November 1979, was \$758 per ton, compared with \$140 prior to the July increase.

The United States is a major buyer of Indonesian coffee, taking 1.2 million bags valued at \$149 million in 1978 and 860,000 bags valued at \$233 million in 1977. During January-October 1979, U.S. imports from Indonesia totaled 1.2 million bags worth \$192 million.

**Papua New Guinea's** 1979/80 coffee crop remains estimated at 700,000 bags, while the 1978/79 outturn has reached 730,000 bags—55,000 bags more than first expected. Growing conditions were generally favorable during the past season and tribal fighting in the Highlands did not unduly disrupt harvesting and movement to ports.

Exports of green coffee during 1978/79 also were very good, with total shipments during the July-June marketing year reaching 803,533 bags. West Germany was the principal buyer, followed by Australia and the United States. Other important destinations included the United Kingdom, Japan, and New Zealand.

The Government is planning further expansion in the traditional Highlands area and also in other provinces. However, increased production from new plantings is likely to be largely offset by lower output from existing areas. Fighting among tribes has caused significant damage to trees presently in production,

and coffee buyers continue to be harassed by the disturbances.

The Coffee Industry Board supervises the marketing of the crop and collects the exports levies for the Stabilization Fund. This Fund is intended to act as a buffer when production exceeds demand or if exports are restricted under international quotas. The fund stood at kina 66.4 million (\$48.7 million) as of June 30, 1979, and will provide security for the industry in future years.

## Supply-Distribution Update

Based on crop year data for individual producing countries, world coffee exports in 1979/80<sup>1</sup> are estimated at 61.7 million bags, green bean equivalent, down 3 percent from 1978/79. In 1977/78, exports were only 48 million bags, reflecting record high prices and reduced apparent consumption.

The six leading exporters in 1978/79, and quantities shipped in 1,000 bags, (with comparable 1977/78 exports in parentheses) were as follows; Brazil 12,828 (7,326); Colombia 11,832 (8,348); Ivory Coast 4,700 (4,017); Indonesia 3,732 (2,671); El Salvador 3,144 (2,488); and Mexico 3,070 (1,737).

Estimated derived world consumption (exports plus domestic consumption of producing countries) in 1979/80 is forecast at 81.7 million bags. This is down 1 percent from 1978/79 when derived consumption reached 82.6 million bags, a record level.

Stocks held in producing countries at the end of 1979/80 are forecast at 25.1 million bags, a slight increase from ending stocks of 24.8 million bags for 1978/79.

At the projected 1979/80 level, producer-held stocks would represent less than one-third of derived consumption. Only five years ago, yearend stocks constituted nearly 60 percent of consumption, and 10 years ago, close to 90 percent. Brazil, Colombia, Angola and Uganda, accounted for 73 percent of total yearend stocks in 1978/79, whereas Brazil alone accounted for 50 percent of total stocks in 1974/75 and 70 percent in 1969/70.

## Other Developments

The increasing availability of new-crop Latin American and African coffees to the market applied some downward pressure on green coffee prices during the first quarter of the 1979/80 (October-September) coffee year. At the same time, market activities of the Bogota Group,<sup>2</sup> political and civil difficulties in a

<sup>1</sup>Table on page 15 on world coffee supply and distribution, 1960-80, updates data contained in FAS circular FCOF 4-79, August 1979.

<sup>2</sup>Brazil, Colombia, Mexico, El Salvador, Guatemala, Honduras, Costa Rica, and Venezuela.

number of producing countries, as well as colder weather in principal consuming countries, such as the United States and Europe, are factors which have helped to maintain prices at relatively high levels.

As of December 5, the ICO composite price (basis 1976 ICA) of green coffee was \$1.91 per pound (\$4.20 per kg.) compared with \$1.97 in early September, and \$1.34 a year earlier.

During the first 10 months of calendar 1979, U.S. imports of green coffee totaled 15.9 million bags valued at \$2.98 billion. This was up 8 percent in volume but down 4 percent in value from corresponding January-October 1978 import totals.

Roastings of green coffee for January-September 1979, according to U.S. Bureau of Census data, were 12.7 million bags, up from 11.8 million bags in the corresponding period of 1978. U.S. inventories of green coffee held by roasters, dealers, and importers on September 30, 1979, were 2,717,000 bags, compared with 2,405,000 bags on June 30 and 2,131,000 bags a year earlier.

The wholesale price of a 1-pound can of roasted coffee during October 1979, based on compilations of the U.S. Bureau of Labor Statistics, averaged \$3.05 per pound (\$6.72 per kg), unchanged from September, compared with \$2.64 per pound during October 1978.

Preliminary USDA data indicate that U.S. per capita consumption of coffee in 1979 was about 11.5 pounds, green bean equivalent, up about 1 pound from the low level reached in 1978. Per capita coffee consumption in the United States has been trending downward since 1962, when it was almost 16 pounds. With prices expected to remain relatively high in 1980, the general decline in U.S. per capita consumption is likely to continue.

The 33d session of the International Coffee Council was held in London, September 24-28, 1979. From the beginning of the meetings, the overriding issues were efforts by both importers and producers to agree on a revised export quota trigger price arrangement and activities of the Bogota Group in the futures market.

Both areas were left unresolved. The Council failed

to agree on a new trigger price, and producers stated that the Bogota Group would continue its market activities. Both sides were not all that unhappy with the "status quo". Producers were satisfied with world coffee prices at that time and believed prices would remain high for some time. On the other side, most of the coffee import trade prefers an unfettered market. With the trigger price for quotas remaining at 77 cents a pound, economic provisions of the 1976 Coffee Agreement will not likely become operative in the foreseeable future.

The market operations of the Bogota Group continues to be of major concern to the United States and most other importing countries. Much, if not all, of the Group's intervention has been in the trading of futures contracts in the New York and London coffee markets to support coffee prices. While it is difficult to assess the Group's actual impact, a "fund" variously reported at \$300 to \$400 million gives the Group considerable leverage in the market place.

On November 8-10, 1979, the eight member countries of the Bogota Group—along with the Ivory Coast (leading producer in Africa and the third largest in the world) as an observer—met in Bogota again to review among other things, their marketing strategy for the 1979/80 coffee year.

According to a statement issued after the 2-day session, members have agreed to make the Group a permanent body and to develop procedures for admitting other producer countries to the present membership.

The 19th Session of the Inter-African Coffee Organization (IACO) met in Abidjan, Ivory Coast, November 19-23, 1979. In addition to regular agenda items relating to improving production and marketing of the 22 member countries, a report was made on the pros and cons of direct participation in the futures market, including a review of the results of this type of market activity by the Bogota Group.

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COFFEE, GREEN: TOTAL PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1970/71-1974/75, ANNUAL 1975/76-1979/80 <sup>1/</sup>  
(IN THOUSANDS OF 60 KILOGRAM BAGS) <sup>2/</sup>

REGION AND COUNTRY	AVERAGE 1970/71-1974/75	1975/76	1976/77	1977/78	1978/79	1979/80
<b>NORTH AMERICA:</b>						
COSTA RICA.....	1,416	1,276	1,331	1,531	1,750	1,600
CUBA.....	472	415	450	425	450	450
DOMINICAN REPUBLIC.....	807	1,040	728	1,025	680	760
EL SALVADOR.....	2,549	2,530	2,973	2,400	3,028	2,700
GUATEMALA.....	2,187	2,043	2,613	2,350	2,710	2,800
HAITI.....	575	575	511	544	448	660
HONOURAS.....	712	636	691	1,036	1,132	1,250
JAMAICA.....	74	32	21	23	15	34
MEXICO.....	3,629	3,856	3,650	3,600	3,800	3,900
NICARAGUA.....	663	790	852	967	1,025	960
PANAMA.....	79	66	78	105	92	95
TRINIDAD-TOBAGO.....	51	42	60	41	39	38
US-HAWAII.....	19	11	13	14	10	12
US-PUERTO RICO.....	208	191	145	197	159	161
<b>TOTAL NORTH AMERICA.....</b>	<b>13,390</b>	<b>13,502</b>	<b>14,115</b>	<b>14,258</b>	<b>15,338</b>	<b>15,420</b>
<b>SOUTH AMERICA:</b>						
BOLIVIA.....	91	124	108	118	122	130
BRAZIL.....	20,380	23,000	9,300	17,500	20,000	22,500
COLOMBIA.....	8,120	8,500	9,300	11,050	11,868	12,000
ECUADOR <sup>3/</sup> .....	1,143	1,244	1,690	1,238	1,839	1,704
GUYANA.....	12	15	17	17	17	18
PARAGUAY.....	76	139	41	71	144	120
PERU.....	1,035	881	947	1,050	1,080	1,100
VENEZUELA.....	978	923	656	1,061	1,019	1,150
<b>TOTAL SOUTH AMERICA.....</b>	<b>31,835</b>	<b>34,826</b>	<b>22,059</b>	<b>32,105</b>	<b>36,089</b>	<b>38,722</b>
<b>AFRICA:</b>						
ANGOLA.....	3,528	1,180	1,131	1,247	613	700
BENIN.....	29	19	17	3	3	5
BURUNDI.....	391	279	359	285	387	360
CAMEROON.....	1,433	1,482	1,307	1,371	1,650	1,520
CENTRAL AFRICAN EMPIRE.....	185	150	166	164	170	180
CONGO, BRAZZAVILLE.....	13	28	33	46	107	70
EQUATORIAL GUINEA.....	113	90	90	80	90	100
ETHIOPIA.....	2,427	2,677	2,882	3,024	3,200	3,200
GABON.....	10	1	7	3	6	8
GHANA.....	59	56	70	35	58	58
GUINEA.....	79	23	39	16	40	30
IVORY COAST.....	4,280	5,266	4,867	3,320	4,667	4,835
KENYA.....	1,122	1,244	1,687	1,417	1,200	1,252
LIBERIA.....	79	88	156	137	133	142
MAOAGASCAR.....	1,139	1,141	984	1,292	723	1,300
NIGERIA.....	54	67	53	46	45	45
RWANDA.....	324	434	531	362	311	380
SIERRA LEONE.....	131	64	168	77	217	166
TANZANIA.....	874	959	805	835	856	900
TOGO.....	172	151	177	82	128	150
UGANDA.....	3,265	2,214	2,664	1,868	1,945	2,200
ZAIRE (CONGO,K).....	1,385	1,072	1,437	1,279	1,300	1,400
<b>TOTAL AFRICA.....</b>	<b>21,093</b>	<b>18,684</b>	<b>19,630</b>	<b>16,989</b>	<b>17,849</b>	<b>19,001</b>
<b>ASIA:</b>						
INDIA.....	1,589	1,498	1,791	2,133	1,949	2,228
INDONESIA.....	2,425	3,049	3,214	3,221	4,649	4,750
MALAYSIA.....	84	135	125	121	142	145
PHILIPPINES.....	493	483	550	575	600	660
PORTUGUESE TIMOR.....	63	75	65	75	4/	4/
VIETNAM.....	55	60	60	65	70	70
YEMEN, ARAB REP.....	52	45	45	50	50	50
<b>TOTAL ASIA.....</b>	<b>4,761</b>	<b>5,345</b>	<b>5,850</b>	<b>6,240</b>	<b>7,460</b>	<b>7,903</b>
<b>OCEANIA:</b>						
NEW CALEDONIA.....	27	25	25	25	25	25
PAPUA NEW GUINEA.....	556	635	700	674	730	700
<b>TOTAL OCEANIA.....</b>	<b>583</b>	<b>660</b>	<b>725</b>	<b>699</b>	<b>755</b>	<b>725</b>
<b>WORLD TOTAL.....</b>	<b>71,663</b>	<b>73,018</b>	<b>62,379</b>	<b>70,291</b>	<b>77,491</b>	<b>81,771</b>

<sup>1/</sup> Coffee marketing year begins about July in some countries and in others about October. <sup>2/</sup> 132,276 pounds. <sup>3/</sup> As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1978 in that country is shown as production for the 1978/79 marketing year. In Ecuador, however, this is referred to as the 1977/78 crop. <sup>4/</sup> Beginning 1978/79 included in Indonesia.

**NOTE:** Production estimates for some countries include cross-border movements. Also, due to rounding, country totals may not add to area and world totals.

Source: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

January 1980

Commodity Programs, FAS, USDA

COFFEE, GREEN: EXPORTABLE PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1970/71-1974/75, ANNUAL 1975/76-1979/80 <sup>1/</sup>  
(IN THOUSANDS OF 60 KILOGRAM BAGS) <sup>2/</sup>

REGION AND COUNTRY	AVERAGE 1970/71-1974/75	1975/76	1976/77	1977/78	1978/79	1979/80
<b>NORTH AMERICA:</b>						
COSTA RICA.....	1,265	1,104	1,147	1,346	1,530	1,375
CUHA.....	--	--	--	--	--	--
DOMINICAN REPUBLIC.....	526	755	481	755	400	470
EL SALVADOR.....	2,382	2,350	2,788	2,210	2,833	2,500
GUATEMALA.....	1,924	1,753	2,315	2,045	2,400	2,485
HAITI.....	353	350	270	304	208	415
HONDURAS.....	617	532	587	929	1,028	1,145
JAMAICA.....	6	19	9	11	7	24
MEXICO.....	2,045	2,456	2,400	2,200	2,641	2,675
NICARAGUA.....	587	714	774	887	942	880
PANAMA.....	18	3	13	38	24	27
TRINIDAD-TOBAGO.....	39	31	45	27	25	23
US-PUERTO RICO.....	--	--	--	--	--	--
TOTAL NORTH AMERICA.....	9,760	10,066	10,829	10,752	12,038	12,019
<b>SOUTH AMERICA:</b>						
BOLIVIA.....	67	95	80	87	89	95
BRAZIL.....	12,536	15,000	1,800	10,000	12,000	14,000
COLUMBIA.....	6,716	7,100	7,900	9,500	10,268	10,350
ECUADOR <sup>3/</sup> .....	998	1,079	1,515	1,043	1,636	1,492
GUYANA.....	--	--	--	--	--	--
PARAGUAY.....	53	114	15	45	117	93
PERU.....	801	631	697	800	830	850
VENEZUELA.....	305	222	189	271	179	230
TOTAL SOUTH AMERICA.....	21,475	24,241	12,196	21,746	25,119	27,110
<b>AFRICA:</b>						
ANGOLA.....	3,434	1,100	267	1,172	533	620
BENIN.....	28	18	16	2	2	4
BURUNDI.....	389	276	357	282	384	357
CAMEROON.....	1,407	1,455	1,281	1,344	1,622	1,490
CENTRAL AFRICAN EMPIRE.....	175	139	155	152	158	166
CONGO, BRAZZAVILLE.....	12	27	32	45	106	69
EQUATORIAL GUINEA.....	103	80	80	70	80	90
ETHIOPIA.....	1,137	1,011	1,049	1,135	1,300	1,400
GABON.....	9	--	6	2	5	7
GHANA.....	47	41	55	25	49	52
GUINEA.....	75	17	33	10	34	24
IVORY COAST.....	3,754	5,107	4,782	3,284	4,625	4,785
KENYA.....	1,097	1,224	1,644	1,367	1,159	1,210
LIBERIA.....	73	79	146	126	122	130
MADAGASCAR.....	1,001	1,001	851	1,152	578	1,152
NIGERIA.....	14	18	--	--	--	--
RWANDA.....	322	432	529	360	309	378
SIERRA LEONE.....	126	59	163	72	212	161
TANZANIA.....	853	934	780	814	836	880
TOGO.....	171	150	176	81	127	149
UGANDA.....	3,243	2,192	2,634	1,838	1,915	2,170
ZAIRE (CONGO,K).....	1,253	922	1,270	1,104	1,120	1,210
TOTAL AFRICA.....	18,724	16,282	16,306	14,437	15,276	16,504
<b>ASIA:</b>						
INDIA.....	882	749	941	1,229	1,098	1,303
INDONESIA.....	1,488	2,033	2,400	2,702	3,865	3,950
MALAYSIA.....	--	39	39	--	20	20
PHILIPPINES.....	27	142	242	250	242	270
PORTUGUESE TIMOR.....	55	65	55	65	4/	4/
VIETNAM.....	25	30	30	30	35	35
YEMEN, ARAB REP.....	42	35	35	40	40	40
TOTAL ASIA.....	2,519	3,093	3,742	4,316	5,300	5,618
<b>OCEANIA:</b>						
NEW CALEDONIA.....	17	15	15	14	14	14
PAPUA NEW GUINEA.....	546	621	685	659	716	686
TOTAL OCEANIA.....	563	636	700	673	730	700
WORLD TOTAL.....	53,041	54,317	43,774	51,924	58,463	61,951

-- Denotes negligible, unknown, or not available.

<sup>1/</sup> Coffee marketing year begins about July in some countries and in others about October. Exportable production represents total harvested production minus estimated domestic consumption. <sup>2/</sup> 132,276 pounds. <sup>3/</sup> As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1978 in that country is shown as production for the 1978/79 marketing year. In Ecuador, however, this is referred to as the 1977/78 crop. <sup>4/</sup> Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements. Also, due to rounding, country totals may not add to area and world totals.

Source: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

January 1980

Commodity Programs, FAS, USDA

GREEN COFFEE: EXPORTS FROM SPECIFIED COUNTRIES,  
BY COUNTRY OF DESTINATION, CALENDAR YEAR 1978  
(In bags of 60 kilograms) 1/

Country of destination :	Brazil	Colombia	Guatemala	Indonesia	Ivory Coast	Mexico
Europe:						
Austria.....	60,550	583	0	0	--	0
Belgium-Luxembourg.....	204,824	250,351	130,849	58,898	--	15,914
Bulgaria.....	2,833	--	0	0	--	0
Czechoslovakia.....	231,831	28,925	0	0	--	0
Denmark.....	483,161	115,584	2,040	279,122	--	700
Finland.....	107,520	316,935	102,970	0	--	0
France.....	540,667	150,263	29,588	113,279	1,009,463	43,936
German Democratic Rep.:	236,340	61,273	0	0	47,883	1,517
Germany, West.....	676,770	2,517,560	477,970	224,208	49,340	69,197
Greece.....	199,551	--	0	15,483	--	0
Hungary.....	137,029	--	583	64,997	--	0
Iceland.....	30,900	--	0	0	--	0
Italy.....	914,850	94,230	41,843	423,916	191,016	0
Netherlands.....	182,076	777,882	229,087	572,494	510,915	5,862
Norway.....	383,407	115,268	13,285	18,966	--	0
Poland.....	379,027	133,327	0	0	--	0
Portugal.....	74,362	--	0	0	--	0
Romania.....	20,832	43,331	0	0	--	16,910
Soviet Union.....	--	--	0	833	--	0
Spain.....	460,296	420,172	3,105	0	231,166	33,817
Sweden.....	636,836	535,437	17,283	7,300	--	0
Switzerland.....	314,061	34,537	11,500	417	--	114,929
United Kingdom.....	129,685	24,319	13,921	74,964	180,266	14,871
Yugoslavia.....	--	70,001	0	417	--	42,272
Other.....	3,500	--	0	0	--	0
Total.....	6,410,908	5,689,978	1,074,024	1,855,294	2,220,049	359,925
North America:						
Canada.....	55,600	47,079	14,261	633	--	584
United States.....	2,842,935	2,753,849	953,252	1,018,493	700,214	1,422,095
Other.....	--	6,121	0	0	--	0
Total.....	2,898,535	2,807,049	967,513	1,019,126	700,214	1,422,679
South America.....	218,229	81,967	0	0	--	0
Africa.....	110,184	88,214	0	0	418,548	0
Asia and Oceania.....	600,491	279,105	144,211	724,305	286,366	11,667
Not specified.....	116,662	87,752	0	0	215,599	0
Grand total.....	10,355,009	9,034,065	2,185,748	3,598,725	3,840,776	1,794,271

-- Denotes unknown.

1/ 132.276 pounds.

Source: Compiled by Foreign Agricultural Service from official statistics of specified countries.

COFFEE: EXPORT VALUE AS PERCENT OF TOTAL EXPORTS, 1974-78  
(In percent)

Continent and country:	1974	:	1975	:	1976	:	1977	:	1978
North America:									
Costa Rica.....:	28.3		19.6		26.0		39.2		35.2
Dominican Republic...:	5.9		3.9		12.4		21.7		13.1
El Salvador.....:	41.5		32.9		52.9		62.0		34.2
Guatemala.....:	30.2		26.3		32.0		44.3		--
Haiti.....:	33.6		22.8		37.4		44.4		--
Honduras.....:	16.7		19.3		25.6		33.3		35.4
Mexico.....:	5.4		6.4		12.0		10.5		6.2
Nicaragua.....:	12.1		9.8		22.0		31.2		30.9
South America:									
Brazil.....:	10.9		9.9		21.5		19.0		15.4
Colombia.....:	43.9		45.8		55.4		61.6		65.2
Ecuador.....:	6.0		6.5		15.3		13.1		18.8
Peru.....:	2.3		3.9		8.5		11.7		9.1
Venezuela.....:	0.2		0.2		0.5		0.6		--
Africa:									
Cameroon.....:	24.8		19.4		36.3		34.0		29.7
Ethiopia.....:	27.8		34.0		56.7		75.5		72.9
Ivory Coast.....:	26.7		29.6		33.8		37.5		25.0
Kenya.....:	23.6		20.9		34.7		42.5		33.7
Madagascar.....:	26.7		22.3		42.9		48.8		--
Tanzania.....:	14.8		19.0		33.6		41.0		35.8
Uganda.....:	73.3		77.8		85.8		92.8		--
Asia and Oceania:									
India.....:	1.9		1.5		1.7		2.5		3.6
Indonesia.....:	1.3		1.4		2.8		5.5		4.2

-- Denotes unknown.

Source: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information. Subject to revision.

January 1980

Commodity Programs, FAS/USDA

GREEN COFFEE: ICO COMPOSITE PRICE, BASIS 1968 AGREEMENT 1/, MONTHLY AND ANNUAL AVERAGES,  
1965-79  
(In cents per pound)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
1965 <u>2/</u>	3/		38.20	38.41	37.05	39.27	40.67	42.20	41.65	42.15	41.73	42.32	40.37
1966 <u>2/</u>	42.15	40.91	40.14	40.30	40.46	39.83	39.49	39.14	38.31	38.45	38.24	37.91	39.61
1967 <u>2/</u>	37.22	37.13	36.68	37.43	38.30	38.57	37.58	36.69	36.53	36.43	37.20	36.82	37.22
1968 <u>2/</u>	37.26	37.36	37.68	37.81	37.61	37.70	37.56	37.38	37.30	36.93	36.93	36.37	37.36
1969.....	36.33	36.54	36.05	35.17	34.96	35.35	35.42	37.01	40.28	45.33	45.83	46.22	38.71
1970.....	49.15	48.73	49.27	50.40	51.14	50.89	51.70	51.99	52.03	51.87	50.23	48.88	50.52
1971.....	49.02	46.96	45.08	44.28	44.31	43.76	43.50	43.67	43.31	43.13	43.68	45.23	44.66
1972.....	44.80	44.92	46.01	46.42	47.33	47.76	54.11	55.83	53.99	53.95	54.55	55.17	50.40
1973.....	57.04	60.75	61.77	59.78	61.63	62.78	62.85	62.33	63.07	64.05	64.82	65.09	62.16
1974.....	66.22	70.78	72.04	72.89	73.74	71.49	68.45	64.55	61.97	63.04	64.57	65.63	67.95
1975.....	64.96	63.80	60.71	59.53	60.29	63.00	4/60.43	88.49	85.80	84.59	82.73	86.84	71.76
1976.....	94.97	101.94	100.50	123.15	138.93	149.24	142.34	150.87	154.19	164.53	181.28	207.85	142.48
1977.....	227.89	251.20	324.59	333.49	295.95	269.81	246.15	240.17	236.02	221.70	228.51	201.15	256.39
1978.....	200.11	191.31	167.67	166.78	158.40	169.82	143.14	143.77	156.23	156.13	151.87	142.66	162.32
1979.....	139.42	130.61	135.55	142.60	151.31	191.21	202.06	194.40	204.58	202.62	200.20	--	--

GREEN COFFEE: ICO COMPOSITE PRICE, BASIS 1976 AGREEMENT 5/, MONTHLY AND ANNUAL AVERAGES,  
1976-79  
(In cents per pound)

1976 <u>6/</u> ...	--	--	--	--	--	--	--	--	--	162.62	179.63	205.54	182.60
1977....	217.61	254.93	304.85	314.96	277.41	243.05	209.00	201.36	195.78	172.48	182.13	185.70	229.94
1978....	191.65	186.08	166.37	161.68	152.86	159.82	130.17	133.34	151.12	151.89	145.21	131.58	155.15
1979....	130.93	127.76	132.76	140.22	148.74	190.99	199.78	189.70	198.36	196.97	192.19	--	--

1/ International Coffee Organization (ICO) composite price of Colombian Mild Arabica, Other Mild Arabica, Unwashed Arabica (Brazilian), and Robusta type coffees.

2/ Unofficial.

3/ Series began March 22, 1965.

4/ Average through July 1-18 only.

5/ ICO composite price of Other Mild Arabica and Robusta type coffees.

6/ Series began October 1, 1976.

Source: International Coffee Organization.



WORLD COFFEE SUPPLY AND DISTRIBUTION, 1960-1980

(IN 1,000 60-KG BAGS)

COUNTRY BY TIME PERIOD	BEGINNING STOCKS	PRODUCTION	IMPORTS	TOTAL SUPPLY DISTRIBUTION	DOMESTIC USE	EXPORTS		ENDING STOCKS		
						BEANS	RSTD/GRND SOLUBLE			
1960/61	58,806	65,374	215	124,395	16,270	42,846	63	92	43,003	65,123
1961/62	65,123	75,950	191	141,264	20,985	45,959	56	135	46,151	74,128
1962/63	74,128	67,787	162	142,077	14,591	46,778	42	123	46,946	80,538
1963/64	80,538	65,338	91	145,967	17,524	50,883	69	118	51,070	77,371
1964/65	77,371	52,649	89	130,109	16,650	41,765	58	78	41,902	71,556
1965/66	71,556	82,153	144	153,853	17,697	49,669	37	257	49,965	86,188
1966/67	86,188	63,380	158	149,726	19,128	48,324	26	564	48,915	81,684
1967/68	81,684	70,877	155	152,716	17,950	54,935	55	741	55,732	79,039
1968/69	79,039	63,316	115	142,470	19,528	52,542	76	963	53,582	69,360
1969/70	69,360	69,713	181	139,254	18,789	53,875	84	1,161	55,119	65,346
1970/71	65,346	58,979	179	124,504	19,278	50,280	107	1,253	51,641	53,588
1971/72	53,588	73,679	211	127,478	18,951	56,431	258	1,589	58,279	50,246
1972/73	50,246	77,033	206	127,485	17,365	58,723	381	2,045	61,150	48,974
1973/74	48,974	66,115	288	115,377	19,028	58,080	163	2,149	60,391	35,958
1974/75	35,958	82,508	293	118,759	19,145	53,099	241	1,985	55,326	44,288
1975/76	44,288	73,019	245	117,552	18,846	56,748	394	2,164	59,309	39,400
1976/77	39,400	62,380	247	107,027	18,735	55,264	304	2,175	57,743	25,548
1977/78	25,548	70,293	279	96,120	18,492	46,547	176	1,290	48,013	29,615
1978/79	29,615	77,491	238	107,344	19,182	60,855	101	2,451	63,407	24,755
1979/80	24,755	81,771	254	106,780	19,965	59,043	146	2,536	61,725	25,090

Note: Total may not add because of rounding. Because crop years for producing countries vary-e.g., beginning in October, April, or July-- annual world totals represent the sums of the data for the individual country crop years rather than world levels at a fixed point in time.

HORTICULTURAL AND TROPICAL PRODUCTS DIVISION  
COMMODITY PROGRAMS, FAS, USDA

January 1980

**UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250**

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