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U.S. DEPARTMENT OF AGRICULTURE
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COFFEE
FCOF 2-69
April 1969

WORLD COFFEE PRODUCTION

ESTIMATE DOWN

Summary

The Foreign Agricultural Service's fourth estimate (March) of the 1968-69 world coffee crop shows a slight decrease from the last estimate (December). The total world crop is now estimated at 61.7 million bags, 1/ with exportable production 2/ of about 44.7 million bags.

The 1968-69 crop year is the third consecutive one in which estimated exportable production is less than anticipated world import demand. Thus, there should be a further drawdown of the surplus stocks held in some producing countries.

Individual country production estimates have been adjusted as follows: decreases of 150,000 bags for Guatemala and 100,000 bags for Kenya; increases of 100,000 bags each for Colombia and Uganda.

There have also been some minor changes in the figures for 1967-68, resulting in a total production estimate of 68.6 million bags for that year, with exportable production now put at about 52.3 million bags.

Green coffee prices (all four major types) rose slightly in February, but most prices declined again in March to about the January level. Only Brazil's ran counter to this trend by continuing firm and even rising slightly in March.

1/ All bags in text and tables are of 60 kg. (132.276 lb.)

2/ Exportable production: total production less estimated domestic consumption.

GREEN COFFEE: World total harvested production for the marketing year 1968-69, with comparisons 1/

Continent and country	Average	1965-66	1966-67	1967-68	4th
	1960/61- 1964/65				estimate 1968-69
	1,000	1,000	1,000	1,000	1,000
	bags 2/	bags 2/	bags 2/	bags 2/	bags 2/
North America:					
Costa Rica	1,056	1,025	1,215	1,280	1,350
Cuba	645	460	450	450	500
Dominican Republic	607	615	505	635	540
El Salvador	1,812	1,820	1,960	2,400	1,950
Guatemala	1,704	2,050	1,670	1,850	1,600
Haiti	564	575	465	500	465
Honduras	379	460	340	480	415
Mexico	2,431	3,000	2,650	2,800	2,900
Nicaragua	491	465	480	550	550
Other 3/	505	413	433	552	519
Total North America	10,194	10,883	10,168	11,497	10,789
South America:					
Brazil	25,840	37,700	20,000	23,000	16,500
Colombia	7,760	8,200	7,600	8,000	8,000
Ecuador 4/	751	1,035	975	1,175	1,000
Peru	700	885	875	880	860
Venezuela	821	800	725	700	750
Other 5/	114	181	121	136	172
Total South America	35,986	48,801	30,296	33,891	27,282
Africa:					
Angola	2,910	2,800	3,300	3,400	3,400
Burundi	180	200	240	315	300
Cameroon	801	1,200	1,000	1,100	1,100
Central African Republic	147	190	140	175	175
Congo (Kinshasa)	990	975	900	1,000	1,000
Ethiopia	1,490	1,525	1,750	1,750	2,045
Guinea	195	160	120	170	180
Ivory Coast	3,185	4,550	2,200	4,500	4,100
Kenya	624	875	935	650	850
Malagasy Republic	923	825	900	1,000	925
Rwanda	115	175	155	190	225
Sierra Leone	79	120	65	80	95
Tanzania	497	660	990	740	900
Togo	186	225	95	230	200
Uganda	2,429	2,600	2,450	2,700	3,100
Other 6/	326	343	369	374	377
Total Africa	15,077	17,423	15,609	18,374	18,972
Asia and Oceania:					
India	1,045	1,150	1,395	1,050	1,200
Indonesia	2,016	2,200	1,850	2,500	2,150
Philippines	631	715	740	700	675
Other 7/	390	432	559	627	614
Total Asia and Oceania	4,082	4,497	4,544	4,877	4,639
World total production	65,339	81,604	60,617	68,639	61,682

1/ Coffee marketing year begins about July in some countries and in others about October. Exportable production represents total harvested production minus estimated domestic consumption. 2/ Of 60 kilograms each. 3/ Includes Guadeloupe, Hawaii (USA), Jamaica, Martinique, Panama, Puerto Rico, and Trinidad and Tobago. 4/ 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 1967 in that country is shown as production for the 1967-68 marketing year. In Ecuador, however, this is referred to as the 1966-67 crop. 5/ Includes Bolivia, Guyana, Paraguay, and Surinam. 6/ Includes Cape Verde, Comoro Islands, Congo (Brazzaville), Dahomey, Gabon, Ghana, Liberia, Nigeria, Sao Tome and Principe, and Spanish Guinea. 7/ Includes Malaysia, New Caledonia, New Hebrides, Papua and New Guinea, Portuguese Timor, South Vietnam, and Yemen.

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

GREEN COFFEE: World exportable production for the marketing year 1968-69, with comparisons 1/

Continent and country	Average	1965-66	1966-67	1967-68	4th
	1960/61- 1964/65				estimate
	1,000	1,000	1,000	1,000	1,000
	bags 2/	bags 2/	bags 2/	bags 2/	bags 2/
North America:					
Costa Rica	937	895	1,080	1,140	1,205
Cuba	70	---	---	---	---
Dominican Republic	461	455	340	465	365
El Salvador	1,702	1,690	1,825	2,260	1,805
Guatemala	1,500	1,835	1,450	1,625	1,365
Haiti	395	405	290	320	280
Honduras	308	375	250	390	320
Mexico	1,521	1,800	1,350	1,550	1,600
Nicaragua	446	410	420	490	485
Other 3/	161	80	96	102	106
Total North America	7,501	7,945	7,101	8,342	7,531
South America:					
Brazil	18,840	30,200	12,000	14,745	8,000
Colombia	6,800	7,000	6,350	6,700	6,670
Ecuador 4/	555	845	780	975	795
Peru	540	690	675	670	645
Venezuela	355	265	175	130	160
Other 5/	62	113	53	67	103
Total South America	27,152	39,113	20,033	23,287	16,373
Africa:					
Angola	2,859	2,740	3,240	3,340	3,340
Burundi	175	195	235	310	295
Cameroon	780	1,170	970	1,070	1,070
Central African Republic	142	185	135	170	170
Congo (Kinshasa)	940	925	850	950	950
Ethiopia	1,152	1,170	1,385	1,380	1,670
Guinea	181	145	105	155	165
Ivory Coast	3,135	4,500	2,145	4,445	4,045
Kenya	605	855	915	630	830
Malagasy Republic	825	725	795	890	815
Rwanda	110	170	150	180	215
Sierra Leone	69	110	55	70	85
Tanzania	484	645	975	725	885
Togo	183	220	90	225	195
Uganda	2,416	2,585	2,435	2,685	3,085
Other 6/	301	319	345	350	353
Total Africa	14,357	16,659	14,825	17,575	18,168
Asia and Oceania:					
India	462	465	700	350	480
Indonesia	1,756	1,850	1,490	2,130	1,775
Philippines	---	---	---	---	---
Other 7/	225	212	334	402	389
Total Asia and Oceania	2,443	2,527	2,524	2,882	2,644
World exportable production	51,453	66,244	44,483	52,086	44,716

1/ Coffee marketing year begins about July in some countries and in others about October. Exportable production represents total harvested production minus estimated domestic consumption. 2/ Of 60 kilograms each. 3/ Includes Guadeloupe, Hawaii (USA), Jamaica, Martinique, Panama, Puerto Rico and Trinidad and Tobago. 4/ 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 1967 in that country is shown as production for the 1967-68 marketing year. In Ecuador, however, this is referred to as the 1966-67 crop. 5/ Includes Bolivia, Guyana, Paraguay, and Surinam. 6/ Includes Cape Verde, Comoro Islands, Congo (Brazzaville), Dahomey, Gabon, Ghana, Liberia, Nigeria, Sao Tome and Principe, and Spanish Guinea. 7/ Includes Malaysia, New Caledonia, New Hebrides, Papua and New Guinea, Portuguese Timor, South Vietnam, and Yemen.

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Lack of interest in the market was attributable to the large inventories built up in earlier months in anticipation of the dock strike. If present reports of another small Brazilian crop in 1969-70 are confirmed, the market may be expected to show more strength once inventories are back to more normal levels.

Production

Latin America: The 1968-69 production estimate for Brazil is not yet final, but no major revision is expected. Some trade sources believe the figure should be somewhat lower, but the USDA estimate remains unchanged for the present. On the basis of recent information, the production estimate for Colombia has been raised by 100,000 bags for both 1967-68 and 1968-69. Other changes in the Western Hemisphere include reductions in the estimates for Guatemala, Costa Rica, Dominican Republic, and Haiti. In the first two countries this appears to reflect the "off year" in the production cycle in Central America, while production in the two Caribbean countries reflects drought damage and what appears to be a declining trend in coffee output.

Africa: Losses from coffee berry disease have been greater than anticipated in Kenya, and the estimate for 1968-69 has been lowered to 850,000 bags. Recent information points to a larger crop in Uganda, where production is now expected to reach 3.1 million bags or possibly even more. The estimate for Burundi has been raised slightly, and the outlook remains good for the Ivory Coast, Angola, and Tanzania.

Asia and Oceania: The estimate for India has been reduced slightly based on estimates from the Indian coffee Board.

Smaller Producing Countries: Exportable production in the smaller producing countries is estimated as follows (with comparable 1967-68 figures in parentheses), in bags of 60 kilograms each: Jamaica, 8,000 (9,000); Panama, 26,000 (24,000); Trinidad and Tobago, 62,000 (59,000); Bolivia, 35,000 (35,000); Paraguay, 64,000 (29,000); Congo (Brazzaville), 12,000 (9,000); Dahomey, 16,000 (13,000); Gabon, 13,000 (13,000); Ghana, 83,000 (92,000); Liberia, 63,000 (56,000); Nigeria, 48,000 (49,000); Spanish Guinea, 110,000 (110,000); New Caledonia, 30,000 (30,000); Papua and New Guinea, 275,000 (275,000); Portuguese Timor, 40,000 (43,000); Yemen, 40,000 (45,000).

Other Developments

Prices: Price levels for all four major types of coffee were fairly stable during the first quarter of 1969. All showed a tendency to rise in early

February, but most declined again in March to about the January level. Only Brazil's ran counter to this trend by remaining firm and even rising slightly in early March.

The market was extremely quiet during the quarter, not only in the United States but in Europe as well. In the case of the United States, at least, this lack of buyer interest is probably attributable to the very high level of inventories held by roasters and others. Bureau of the Census data indicate that green coffee inventories on December 31, 1968, amounted to slightly over 5 million bags (60 kg. each), down only 2 percent as compared with the record September 30, 1968, figure but up 120 percent as compared with the level at the end of December 1967. With the settlement of the dock strike, it may be anticipated that market demand will become more active. However, given the prevailing stock level, the slow market may extend over a much longer period than had been anticipated.

Trade: U. S. green coffee imports in 1968 amounted to 25.4 million bags, up 19 percent over those in 1967. Imports of soluble coffee declined, however, from 620,823 bags (green-bean equivalent) to 511,423 bags. Brazil continued as the number-one source of soluble coffee, with shipments of 427,801 bags (green-bean equivalent) to the U. S. market in 1968.

The United States purchased coffee from nearly all producing countries in 1968. Notable were substantially increased imports from Brazil and the Ivory Coast. On an overall basis, imports from Africa and Asia (largely Robustas) increased their share of the U. S. market from 34.4 percent in 1967 to 35.3 percent in 1968. Brazil's share of the market also increased from 28.5 percent to 32.8 percent in 1968, while Colombia lost ground, furnishing only 12 percent of U. S. imports in 1968 against 14.4 percent the previous year.

The International Coffee Agreement

The Thirteenth Session of the International Coffee Council was held at the seat of the Council in London from December 9-19, 1968.

One of the more important resolutions approved by the Council was that of adopting the statutes of the Diversification Fund. It is believed that the Fund will prove a useful tool in helping member countries meet their approved production goals and in assisting them to make better use of their potential economic resources. An organizational meeting of the Assembly of the Fund was held March 24-28.

Other resolutions approved by the ICC during its Thirteenth Session deleted certain countries from the Annex B list and provided for further strengthening of the export control provisions of the Organization.

The Executive Board of the ICO met in Abidjan, Ivory Coast, from February 27 to March 5, 1969. The most important item on the agenda was a review of the production goals submitted by each producing country in accordance with Article 48 of the Agreement. Although the subject was discussed at length, no final decisions were made, and it was decided to continue the meeting in London March 17-21, just prior to the Fourteenth Session of the Council. During the London meetings production goals were established for 1972-73. These amounted to 80.1 million bags, comprising exports of 59.1 million to both quota and nonquota markets and 21 million for domestic consumption in producing countries. It was also determined that the desired level of total stocks to be held in the territories of all exporting members is not to exceed 50 percent of the overall demand for 1972-73.

GREEN COFFEE: Value of exports by specified producing countries 1/
1961-67 2/

Countries	1961	1962	1963	1964	1965	1966	1967 <u>3/</u>
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
	dol.	dol.	dol.	dol.	dol.	dol.	dol.
Costa Rica	43	48	46	48	47	52	55
Dominican Republic	14	20	19	31	21	21	17
El Salvador	70	76	75	93	96	91	97
Guatemala	63	67	77	71	92	100	68
Haiti	13	24	16	16	20	18	13
Honduras	9	11	14	17	22	20	17
Mexico	59	61	43	84	63	71	52
Nicaragua	17	15	18	21	26	22	21
Brazil	710	643	747	760	707	764	733
Colombia	308	332	303	394	344	328	322
Ecuador	14	21	18	21	38	32	39
Peru	23	24	26	37	29	29	26
Venezuela	23	19	23	20	14	17	15
Angola	48	64	63	95	93	106	123
Ethiopia	38	43	44	64	75	62	56
Ivory Coast	82	77	120	129	106	123	103
Uganda	39	56	76	99	85	97	97
Kenya	30	31	31	43	39	53	44
Tanzania	19	18	19	31	24	42	33
India	20	17	17	29	24	23	22
Indonesia	14	13	20	27	32	33	45
Total specified countries	1,656	1,680	1,815	2,130	1,997	2,104	1,998

1/ Coffee exports from these countries represent around 90 percent of total world exports. 2/ Revised. 3/ Preliminary.

Foreign Agricultural Service. Compiled from official statistics of foreign governments, reports of Agricultural Attaches and Foreign Service Officers, trade reports, and other related source materials.

GREEN COFFEE: U. S. imports, 1964-1968

Continent and country	1964	1965	1966	1967	1968 ^{1/}
	Bags ^{2/}	Bags ^{2/}	Bags ^{2/}	Bags ^{2/}	Bags ^{2/}
North America:					
Costa Rica	292,943	305,753	231,384	324,088	293,990
Dominican Republic	531,792	309,716	352,874	253,523	329,280
El Salvador	682,885	722,125	592,683	853,489	578,700
Guatemala	788,844	903,830	1,110,111	706,127	718,290
Haiti	122,260	100,381	89,481	87,850	89,790
Honduras	200,612	290,138	248,555	138,614	342,170
Mexico	1,425,790	1,138,635	1,034,997	990,192	1,293,040
Nicaragua	170,106	250,949	135,376	174,002	216,090
Panama	3,316	1,960	5,264	7,804	8,500
Trinidad and Tobago	32,295	25,505	11,152	20,159	41,320
Other	7,193	855	654	1,888	490
Total North America	4,258,036	4,049,847	3,812,531	3,557,736	3,911,650
South America:					
Brazil	7,213,818	5,742,684	6,731,010	6,069,371	8,317,780
Colombia	3,698,949	3,299,853	2,709,900	3,062,755	3,049,560
Ecuador	230,381	502,484	432,278	467,390	416,530
Peru	541,253	454,235	447,309	447,502	510,020
Venezuela	261,652	236,607	270,625	283,496	158,700
Other	45,133	65,294	78,283	84,685	61,590
Total South America	11,991,186	10,301,157	10,669,405	10,415,199	12,514,180
Africa:					
Angola	1,230,823	1,278,522	1,210,689	1,480,705	1,754,090
Burundi/Rwanda	436,704	340,077	333,371	433,147	429,050
Cameroon	151,421	147,083	331,253	381,243	481,540
Congo (Kinshasa)	196,189	145,745	35,840	41,631	258,730
Ethiopia	923,759	1,158,095	792,048	1,059,034	963,470
Ivory Coast	1,191,664	840,669	1,224,366	689,997	1,457,890
Kenya	290,250	118,173	173,806	113,683	211,900
Malagasy Republic	169,604	404,927	230,453	345,927	496,690
Tanzania	131,910	122,265	237,154	127,917	201,320
Uganda	962,130	1,108,478	1,218,029	1,054,721	1,202,000
Other	386,114	498,568	670,462	225,238	246,260
Total Africa	6,070,568	6,162,602	6,457,471	5,953,243	7,702,940
Asia and Oceania:					
India	76,458	73,398	45,283	138,551	117,880
Indonesia	391,760	643,263	974,349	1,133,470	993,460
Other	34,308	66,927	101,818	107,020	132,660
Total Asia and Oceania	502,526	783,588	1,121,450	1,379,041	1,244,000
Other countries	---	1,917	1,942	6,616	5,740
Grand total	22,822,316	21,299,111	22,062,799	21,311,835	25,378,510

^{1/} Preliminary. ^{2/} 132.276 pounds each.

Foreign Agricultural Service. Compiled from official records of the Bureau of the Census.

GREEN COFFEE: U. S. gross imports for consumption by months, 1964-68

Calendar year	1964	1965	1966	1967	1968 ^{1/}
	Bags ^{2/}	Bags ^{2/}	Bags ^{2/}	Bags ^{2/}	Bags ^{2/}
January	1,977,276	460,698	1,829,079	1,979,151	2,202,380
February	1,969,568	1,295,938	2,017,663	1,618,308	2,460,815
March	2,476,132	2,446,165	2,384,800	2,092,294	1,755,075
April	2,459,757	1,658,847	1,965,127	1,717,016	2,398,145
May	1,597,003	1,553,587	1,817,855	1,721,544	1,956,415
June	1,343,896	1,830,766	1,680,072	1,646,851	1,640,882
January - June ..	11,823,632	9,246,001	11,694,596	10,775,164	12,413,712
July	1,552,377	1,206,105	1,569,851	1,748,253	2,481,072
August	1,428,029	1,556,237	1,309,060	1,818,394	2,397,361
September	1,659,684	1,820,811	2,084,606	1,598,623	2,321,955
October	1,960,222	2,666,075	2,167,597	2,102,596	1,687,161
November	2,329,666	2,549,383	1,573,023	1,844,717	2,137,254
December	2,068,706	2,254,499	1,664,066	1,424,088	1,944,951
July - December ..	10,998,684	12,053,110	10,368,203	10,536,671	12,964,754
Calendar year total	22,822,316	21,299,111	22,062,799	21,311,835	25,378,466
Fiscal year total ^{3/}	24,645,798	20,244,685	23,747,706	21,143,367	22,950,383
ICO year ^{4/}	23,274,179	20,187,748	24,128,070	21,345,120	24,985,501

^{1/} Preliminary.

^{2/} 132.276 pounds each.

^{3/} Twelve months, ending June 30 of year shown.

^{4/} Twelve months, ending September 30 of year shown. ICO is international Coffee Organization.

United States Bureau of Census.

GREEN COFFEE: U. S. gross imports by country or area of origin,
average 1960-64, annual 1965-68

Area of origin	Average		1965		1966		1967		1968 ^{1/}	
	Mil. bags	Per-cent	Mil. bags	Per-cent	Mil. bags	Per-cent	Mil. bags	Per-cent	Mil. bags	Per-cent
	<u>2/</u>		<u>2/</u>		<u>2/</u>		<u>2/</u>		<u>2/</u>	
Brazil	8.68	37	5.74	27	6.73	31	6.07	29	8.32	33
Africa and Asia	5.24	23	6.95	33	7.58	34	7.33	34	8.95	35
Mild coffees:										
Colombia	4.06	18	3.30	15	2.71	12	3.06	14	3.05	12
Other South America..	1.08	5	1.26	6	1.23	6	1.29	6	1.15	5
Mexico and Central America	3.51	15	3.61	17	3.36	15	3.29	16	3.45	14
Caribbean54	2	.44	2	.45	2	.27	1	.46	1
Total Latin American Milds.....	9.19	40	8.61	40	7.75	35	7.91	37	8.11	32
Total World	23.11	100	21.30	100	22.06	100	21.31	100	25.38	100

^{1/} Preliminary.

2/ 132.276 pounds each.

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