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CURRENT SERIAL RECORDS

1962-63 WORLD COFFEE CROP

TO EXCEED REQUIREMENTS

The Foreign Agricultural Service's second estimate of the 1962-63 world coffee crop places total production at 65.9 million bags and exportable production at 52.7 million. This would be a decrease of about 8 percent (on a total basis) from the 1961-62 crop, but will still exceed requirements by about 6 million bags.

World coffee trade continues to increase, and amounted to about 46 million bags for the 1961-62 (July-June) year. U. S. imports for this period amounted to 22,845 million bags, compared with 22,810 million for the previous year. Total world trade for the 1962-63 year will probably amount to about 47 million bags.

Production

North America: The 1962-63 North American crop is placed at 10.5 million bags, 8.1 million of which is exportable. This is very little change from 1961-62, but there are several changes from individual countries. This is the "off-year" of the two-year production cycle for Haiti and the Dominican Republic.

The 1962-63 Costa Rican crop is expected to be a record. Weather has been favorable, and management practices have been good.

El Salvador will have a smaller 1962-63 crop than the bumper 1961-62 crop. Heavy rains caused damage in some areas.

This Circular contains more detailed information than the summary of similar title published in the monthly supplement issue of Foreign Crops and Markets of October 25, 1962.

GREEN COFFEE: World total production for the marketing year 1962-63
with comparisons 1/

Continent and country	Average				2nd
	1950/51	1959-60	1960-61	1961-62	estimate
	1954/55				1962-63
	1,000	1,000	1,000	1,000	1,000
	bags <u>2/</u>	bags <u>2/</u>	bags <u>2/</u>	bags <u>2/</u>	bags <u>2/</u>
North America:					
Costa Rica	439	905	1,165	1,140	1,240
Cuba	542	800	700	800	800
Dominican Republic	455	585	500	600	550
El Salvador	1,216	1,575	1,450	1,800	1,600
Guatemala	1,129	1,600	1,500	1,650	1,850
Haiti	642	650	425	700	500
Honduras	212	350	275	375	400
Mexico	1,373	2,050	2,100	2,350	2,500
Nicaragua	362	367	485	440	485
Panama <u>3/</u>	---	70	65	70	75
Other <u>4/</u>	470	475	385	465	460
Total North America	6,840	9,427	9,050	10,390	10,460
South America:					
Brazil	18,964	44,000	29,000	35,000	27,000
Colombia	6,330	8,000	7,700	7,800	7,800
Ecuador	347	675	750	800	850
Peru	146	475	525	700	800
Venezuela	729	850	865	850	850
Other <u>5/</u>	55	70	90	92	97
Total South America	26,571	54,070	38,930	45,242	37,397
Africa:					
Angola	1,019	1,800	2,750	2,800	3,100
Burundi <u>6/</u>	---	---	---	---	300
Cameroon <u>7/</u>	182	560	675	835	875
Central African Republic ..	---	105	125	145	140
Ethiopia	613	1,065	1,100	1,220	1,280
Guinea	120	195	235	235	235
Ivory Coast	1,210	2,578	3,200	1,650	2,800
Kenya	223	410	575	465	620
Malagasy Republic	634	825	930	900	900
Republic of the Congo	613	1,380	900	900	950
Ruandi-Urundi <u>8/</u>	---	600	400	400	---
Rwanda <u>6/</u>	---	---	---	---	200
Tanganyika	281	425	495	410	500
Togo	58	140	150	172	177
Uganda	754	1,950	1,907	1,900	2,150
Other <u>9/</u>	213	393	446	331	373
Total Africa	5,920	12,426	13,888	12,363	14,600
Asia and Oceania:					
India	387	800	1,125	750	1,000
Indonesia	985	1,500	1,525	1,500	1,500
Yemen	70	90	90	90	90
Other <u>10/</u>	275	581	820	880	885
Total Asia and Oceania ..	1,717	2,971	3,560	3,220	3,475
World total production	41,048	78,894	65,428	71,215	65,932

1/ The coffee marketing season begins during the second half of the calendar year, starting in some countries like Brazil as early as July 1 and in other countries about October 1. 2/ 132,276 pounds each. 3/ Prior to 1958-59 included in other North America. 4/ Includes Guadeloupe, Hawaii, Jamaica, Martinique, Puerto Rico, and Trinidad & Tobago. 5/ Includes Bolivia, British Guiana, Paraguay, and Surinam. 6/ Prior to 1962-63 shown as Ruandi-Urundi. 7/ Beginning with 1961-62 includes West Cameroon. Prior to 1961-62 this area was identified as Southern Cameroon and its production was included with Nigeria. 8/ Prior to 1959-60 Ruandi-Urundi shown in Republic of the Congo. Beginning 1962-63 shown as Burundi and Rwanda. 9/ Includes Cape Verde, Comores Islands, Dahomey, Gabon, Ghana, Liberia, Nigeria, Republic of Congo, Sao Tome & Principe, Sierra Leone, and Spanish Guinea. 10/ Includes Malaya, New Caledonia, New Hebrides, North Borneo, Papua & New Guinea, Philippines, Portuguese Timor and Vietnam.

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 1962-63
with comparisons 1/

Continent and country	Average				2nd
	1950/51 1954/55	1959-60	1960-61	1961-62	estimate 1962-63
	1,000 bags 2/	1,000 bags 2/	1,000 bags 2/	1,000 bags 2/	1,000 bags 2/
North America:					
Costa Rica	378	800	1,050	1,025	1,125
Cuba	49	200	100	200	200
Dominican Republic	372	460	375	475	425
El Salvador	1,087	1,475	1,350	1,700	1,500
Guatemala	905	1,400	1,300	1,450	1,650
Haiti	443	500	275	550	350
Honduras	167	300	225	310	335
Mexico	1,141	1,550	1,450	1,600	1,700
Nicaragua	313	325	443	395	440
Panama 3/	---	25	20	25	30
Other 4/	72	365	287	320	310
Total North America	4,927	7,400	6,875	8,050	8,065
South America:					
Brazil	14,730	37,000	22,000	28,000	20,000
Colombia	5,632	7,000	7,000	6,800	6,800
Ecuador	308	475	500	600	650
Peru	68	375	415	585	675
Venezuela	488	410	425	400	400
Other 5/	52	44	40	41	46
Total South America	21,278	45,304	30,380	36,426	28,571
Africa:					
Angola	990	1,775	2,700	2,750	3,050
Burundi 6/	---	---	---	---	295
Cameroon 7/	180	545	660	820	855
Central African Republic ..	---	95	120	140	135
Ethiopia	544	905	935	1,050	1,100
Guinea	110	180	225	220	220
Ivory Coast	1,137	2,530	3,150	1,600	2,750
Kenya	214	390	558	445	600
Malagasy Republic	569	750	840	800	800
Republic of the Congo	595	1,365	850	850	900
Ruanda-Urundi 8/	---	590	390	390	---
Rwanda 6/	---	---	---	---	195
Tanganyika	274	420	485	400	490
Togo	57	138	148	170	175
Uganda	744	1,920	1,895	1,888	2,137
Other 9/	211	355	406	299	341
Total Africa	5,625	11,958	13,362	11,822	14,043
Asia and Oceania:					
India	93	275	550	250	450
Indonesia	504	1,300	1,325	1,300	1,300
Yemen	60	80	80	80	80
Other 10/	71	66	140	160	175
Total Asia and Oceania ...	728	1,721	2,095	1,790	2,005
World exportable production ..	32,588	66,383	52,712	58,088	52,684

1/ The coffee marketing season begins during the second half of the calendar year, starting in some countries like Brazil as early as July and in other countries about October 1. Exportable production represents total production minus consumption, except for Brazil prior to 1959-60 which was based upon "registrations" of current crop coffee minus port consumption and coast wise shipments. 2/ 132,276 pounds each. 3/ Prior to 1958-59 included in other North America. 4/ Includes Guadeloupe, Hawaii, Jamaica, Puerto Rico and Trinidad & Tobago. 5/ Includes Bolivia, British Guinea, Paraguay and Surinam. 6/ Prior to 1962-63 shown as Ruanda-Urundi. 7/ Beginning with 1961-62 includes West Cameroon. Prior to 1961-62 this area was identified as Southern Cameroon and its production was included with Nigeria. 8/ Prior to 1959-60 Ruanda-Urundi shown in Republic of the Congo. Beginning 1962-63 shown as Burundi and Rwanda. 9/ Includes Cape Verde, Comores Islands, Dahomey, Gabon, Ghana, Liberia, Nigeria, Republic of Congo, Sao Tome & Principe, Sierra Leone and Spanish Guinea. 10/ Includes New Caledonia, New Hebrides, North Borneo, Papua & New Guinea, Portuguese Timor and Vietnam.

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A record crop is expected this year for Guatemala, which has had ideal weather. The National Coffee Association of Guatemala has been urging producers who have not yet registered at the Association to do so as soon as possible. The purposes of the registration are: (1) to grant the producer the quota corresponding to his production; and, (2) to prevent the coffee legitimately belonging to the producer being subject to speculation owing to the lack of quota authority by the Association.

The Honduras crop for 1962-63 is expected to be slightly larger than for 1961-62. Some sources estimate that from 30 to 50 thousand bags of green coffee move clandestinely across the borders.

While the 1962-63 crop in Mexico will be large, it would have been even larger except that low temperatures damaged the crop in some of the northern districts, particularly in San Luis Potosi, Hidalgo, and Puebla, as well as in northern Veracruz. Yields in other districts are reported good. The outlook is considered excellent in the Soconusco district of Chiapas. A diversification program announced by the Mexican Government in February 1962 recently got underway. Approximately 800 hectares (2,000 acres) previously planted to coffee are being planted to rubber this year and an additional 1,500 hectares (3,750 acres) will be planted next year. Plans are to shift about 50,000 acres from coffee to rubber in the next 5 years, principally in the states of Veracruz and Oaxaca. Citrus also is to be planted in place of coffee.

The new growing season for Nicaragua has begun favorably, and production should be a little larger than the 1961-62 crop. In 1961-62, production was down in the Jinotega-Matagalpa area, but was up in the Carazo area. Coffee loans have been down this year, and yields therefore will probably be lower than they otherwise would have been. Nicaragua exported practically all of its coffee from the 1961-62 crop, and has had to import some quantities for its soluble plant.

Panama's coffee production continues to rise. Exportable production for 1962-63 is estimated at 35,000 bags for Jamaica and 45,000 bags for Trinidad and Tobago; comparable figures for 1961-62 are 20,000 bags and 45,000 bags.

South America: The total 1962-63 South American crop is estimated at 37.4 million bags, with 28.6 exportable. This is a decline of 23 percent from the total 1961-62 crop.

The 1962-63 Brazilian crop is estimated at 27 million bags total and 20 million exportable. Production in the state of Sao Paulo will be much lower this year due to the extreme drought in 1961 and partially to abandonment of older, low-yielding trees. For marketing purposes the 1962-63 crop is composed of Market Series and Retention Series. The Market Series is subdivided into 3 quotas: Washed, Preferentials and Direct Quotas. The "Retention Series" will be divided into 2 quotas: Definite and Reversible; and the classification will depend on grade and flavor. In the 1962-63 coffee program the Brazilian Coffee Institute guarantees the purchase of unexportable coffees from the beginning of the crop year.

Colombia's 1962-63 crop is estimated at the same level as for 1961-62. While the Department of Antioquia will probably have a short crop due to the production cycle, the crop in the Department of Caldas will probably be up.

Production continues its upward trend in both Ecuador and Peru. Improved cultural practices as well as better processing methods are increasing Ecuador's production this year. Good yields are reported from Peru this year due to favorable weather, abundant and timely arrival of water, sufficient fertilizers and control of insect and fungus damage. Peru, however, has had a shortage of labor, technical and credit facilities. The Central Department of Peru has the largest area and production, with somewhat smaller amounts in the Northern, Southern and Oriental Departments.

Venezuelan coffee production has shown little change in the last few years. At the present time, however, Venezuela is attempting to expand production through a vigorous credit program and technical assistance.

Africa: Coffee production in 1962-63 in Africa is expected to be much above that of 1961-62 which was reduced both by dry weather and internal disturbances in several countries.

The Angolan crop in 1962-63 is expected to be the largest of any single country in Africa. Angola would then be the third largest world producer. Increases this year are partially due to less internal difficulties, as is also the case in Republic of the Congo and in Burundi and Rwanda.

The Cameroon crop for 1962-63 will probably be slightly larger than in 1961-62. The Central African Republic has not had as favorable weather this year as last; therefore, the 1962-63 crop will be down somewhat.

Lack of transportation and handling facilities is holding down production in Ethiopia. Nevertheless, there is an upward trend which figures to be even more pronounced when roads under construction are completed. There is also an upward trend in consumption, even though Ethiopia is already the largest consumer among the African coffee producing countries.

The Ivory Coast crop will approach the record high level of 1960-61. It is expected to exceed the drought-reduced 1961-62 crop by about 70 percent. In addition to much more favorable weather this year, this is the "on-year" in the coffee production cycle.

Kenya's 1962-63 crop is estimated to be a record. There has been a rapid expansion of coffee growing by Africans in recent years, with planted acreage increasing from 32,930 acres in 1960 to 44,020 acres in 1961. Almost 75 percent of this acreage is in the Central Province.

The Malagasy Republic is having a good production year, but competing crops such as vanilla in the North East may result in some of this coffee being unharvested. The upsurge in plantings in Malagasy apparently stopped soon after 1955, so there probably will be a leveling off in production.

Coffee in the Republic of the Congo is regaining its position after being much reduced by internal disturbances. The plantations reportedly suffered more from a lack of care than from actual destruction. In the past year some of the coffee reportedly has been shipped out clandestinely from East Africa. Rwanda is also expected to have a larger crop this year, as less adverse effect is likely due to internal strife.

More normal yields in 1962-63 are likely for Tanganyika, as the weather has been much more favorable. The Tanganyika Coffee Board has set up a central marketing organization to conduct the sale of all Tanganyika coffees. Beginning July 1, 1962 the Board has assumed responsibility for all coffee from the time of delivery to the curing works.

Uganda's 1962-63 production will probably be at its highest ever. There will be a sizable increase over the 1961-62 crop, which was adversely affected by weather.

Exportable production estimates (in bags) for some of the smaller producing countries of Africa are as follows, with 1961-62 shown first and 1962-63 second: Cape Verde, 2,000; 2,000, Comores Islands, 1,000; 1,000, Dahomey, 40,000; 40,000, Gabon, 17,000; 19,000, Ghana, 38,000; 43,000, Liberia, 16,000; 16,000, Nigeria, 18,000; 18,000, Republic of Congo, 11,000; 11,000, Sao Tome and Principe, 6,000; 6,000, Sierra Leone, 40,000; 75,000, Spanish Guinea, 110,000; 110,000.

Asia and Oceania: Total production for Asia and Oceania for 1962-63 is estimated at 3,475,000 bags, with exportable at 2,005,000 bags. This compares with a total production of 3,220,000 bags and exportable of 1,790,000 bags in 1961-62.

Indonesia's 1962-63 crop is estimated at the same level as for 1961-62. However, a sizable increase is expected for India, which will provide a much higher exportable production. Philippine production is increasing at a rather rapid rate.

World Requirements and Developments

World trade in coffee continues to rise. Exports of green coffee for the 1961-62 year amounted to about 46 million bags. Western Germany is now the second largest importer, having moved slightly ahead of France.

The United States imported 22.8 million bags of coffee for the year ended June 30, 1962. This is the same level as the previous year, and compares with 22.7 million imported during the 1960-61 year. While the imports for 1961-62 were at the same level as for 1960-61, the stock level was 100,000 bags lower than the previous year. Roastings for the first 6-months of 1962 amounted to 11,395,000 bags, up 1.3 percent over the previous year. July 1961 - June 1962 imports from Brazil amounted to 9 million bags, while imports from Colombia totaled 3.7 million bags. Re-exports of coffee from the United States for this period amounted to 461,000 bags, compared with 447,000 bags of the previous year.

U. S. green coffee stocks as of June 30, 1962 amounted to 3,050,000 bags, whereas a year earlier they had been 3,145,000 bags. Roastings for soluble use in the first half of 1962 were higher than for any previous 6-month period, and amounted to 18.4 percent of the total.

World coffee stocks on September 30, 1962 were at a level of about 75 million bags. This is approximately equivalent to world exports for a year and nine months. The world requirements for coffee in 1962-63 will probably be some 6 million bags less than production. Therefore, the surplus position could get worse instead of better.

Coffee prices have not changed sharply during 1962. Brazils have declined about 1 cent per pound, and Colombians have dropped by about 3 cents per pound. Some of the Central American growths have dropped as much as the Colombians, while others have declined less. The African Robustas showed some strengthening during the year.

A negotiating conference for a long-term coffee agreement was held at the United Nations during July and August of 1962. This Agreement would be of 5-years duration, and would replace the short-term Agreement which was on a year-to-year basis. The proposed new Agreement, as the previous one, is an export quota type of arrangement. It is to become effective when 20 exporting countries and 10 importing countries representing 80 percent of exports and imports; respectively, have signed an intent to ratify.

While no import quotas will be in effect for the new Agreement, there are certain import restrictions which can be applied. All exports are due to have certificates of origin. Additionally, there are provisions for attempting to bring production in line with demand, and to reduce present surplus stocks.

One of the functions assigned to the Foreign Agricultural Service by Congress is to make and publish estimates of world production, stocks and trade of important agricultural commodities. These estimates are available for any purpose that users may elect. The estimates of coffee production have been used for quota setting purposes in Producer Coffee Agreements over the past several years and are again being used for this purpose in the new long-term Agreement negotiated at the recent United Nations Conference in New York.

While the Foreign Agricultural Service has no objection to its estimates being used for this purpose, it cannot assume the responsibility of justifying or defending any estimates used for quota negotiating purposes. Foreign Agricultural Service reserves the right to accept or reject any official or semi-official figures which any country may submit, and to exercise its judgment in the preparation of published estimates.

GREEN COFFEE: U. S. gross import requirements by country of origin

(1 million bags of 132.276 pounds)

Area of origin	Average 1951-55	(Per- cent)	1960	(Per- cent)	1961	(Per- cent)	1962 ^{1/} Jan.-June	(Per- cent)	Est. 1962 July-Dec.	(Per- cent)
Brazil	8.82	45	9.26	42	8.71	39	4.45	38	4.41	38
Africa and Asia	1.55	8	3.87	18	4.69	21	2.65	22	2.55	22
<u>Mild Coffees:</u>										
Colombia	4.83	25	4.26	19	4.02	18	1.79	15	1.97	17
Other South America ...	0.70	3	1.08	5	0.89	4	0.31	3	0.35	3
Mexico and Central America	3.29	17	3.16	14	3.57	16	2.41	20	2.09	18
Caribbean	0.47	2	0.47	2	0.45	2	0.28	2	0.23	2
<u>Total Milds</u>	<u>9.29</u>	<u>47</u>	<u>8.97</u>	<u>40</u>	<u>8.93</u>	<u>40</u>	<u>4.79</u>	<u>40</u>	<u>4.64</u>	<u>40</u>
<u>Total World</u>	<u>19.66</u>	<u>100</u>	<u>22.10</u>	<u>100</u>	<u>22.33</u>	<u>100</u>	<u>11.89</u>	<u>100</u>	<u>11.60</u>	<u>100</u>

^{1/} Revised.



Growth Through Agricultural Progress

GREEN COFFEE: U. S. Gross imports for consumption by months, 1958-1962
(Bags of 132.276 pounds each)

Calendar year	1958	1959	1960	1961 ^{1/}	1962 ^{2/}
January.....	1,827,521	1,587,840	1,231,918	1,951,110	2,294,540
February.....	1,473,665	2,278,610	2,148,092	1,715,463	2,310,596
March.....	1,470,061	2,252,406	2,021,836	2,234,714	1,836,181
April.....	1,927,182	1,781,449	1,643,136	1,771,045	1,864,527
May.....	2,017,091	1,840,258	1,815,797	1,719,310	2,032,074
June.....	1,307,345	1,505,026	1,899,318	2,044,567	1,550,237
January - June...	10,022,865	11,245,589	10,760,097	11,436,209	11,888,155
July.....	1,445,675	1,255,221	1,625,133	1,633,002	---
August.....	1,247,495	2,162,982	2,031,009	1,775,779	---
September.....	1,479,026	3,044,343	1,962,691	1,864,476	---
October.....	2,052,425	1,472,339	2,066,741	1,934,063	---
November.....	1,885,605	1,623,384	1,827,269	1,604,276	---
December.....	2,030,033	2,368,647	1,827,996	2,084,712	---
July - December..	10,140,259	11,926,916	11,340,839	10,896,308	(11,600,000)
January - December	20,163,124	23,172,505	22,100,936	22,332,517	(23,488,155)

Fiscal year	1957-58	1958-59	1959-60	1960-61	1961-62
July - December..	10,318,783	10,140,259	11,926,916	11,340,839	10,896,308
January - June...	10,022,865	11,245,589	10,760,097	11,436,209	11,888,155
July - June.....	20,341,648	21,385,848	22,687,013	22,777,048	22,784,463

^{1/} Revised.

^{2/} Preliminary.

Source: United States Bureau of Census.

July - December 1962 Foreign Agriculture Service estimate.

GREEN COFFEE: U. S. estimated import requirements, annual 1959-1962
(1 million bags of 132.276 pounds)

Calendar year: Semi-annual	1959	1960	1961	1962
January - June:				
Total consumption	10.8	10.9	11.2	11.4
Net stock change	$\neq \frac{0.2}{}$	$- \frac{0.4}{}$	$- \frac{0.1}{}$	$\neq \frac{0.2}{}$
Net imports	11.0	10.5	11.1	11.6
July - December:				
Total consumption	10.8	11.0	11.1	11.4
Net stock change	$\neq \frac{0.8}{}$	$\neq \frac{0.3}{}$	$- \frac{0.3}{}$	$- \frac{0.1}{}$
Net imports	11.6	11.3	10.8	11.3
Calendar year:				
Total consumption	21.6	21.9	22.3	22.8
Net stock change	$\neq \frac{1.0}{}$	$- \frac{0.1}{}$	$- \frac{0.4}{}$	$\neq \frac{0.1}{}$
Net imports	22.6	21.8	21.9	22.9

Fiscal year summary	1958-59	1959-60	1960-61	1961-62
Total consumption	21.3	21.7	22.2	22.5
Net stock change	$- \frac{0.4}{}$	$\neq \frac{0.4}{}$	$\neq \frac{0.2}{}$	$- \frac{0.1}{}$
Net imports	20.9	22.1	22.4	22.4

Note: Total consumption: Civilian and military disappearance, plus manufactured coffee for consumption.

Net stock change: All coffees, green or roasted, except imports not yet entered for consumption.

Net imports: Total receipts from territories and imports into continental United States minus exports and re-exports.

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