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WORLD COFFEE SITUATION

SUMMARY AND OUTLOOK

The first USDA world coffee crop production estimate for 1983/84 is 95.0 million bags ^{1/}, up 16.6 percent (13.5 million bags) from the revised estimate of 81.5 million bags for 1982/83. Exportable production--which represents total harvested production less domestic consumption in producing countries--is estimated at 73.6 million bags. Recovery of the Brazilian crop from the frost-damaged 1982/83 level more than accounts for the increase. Favorable weather and appropriate management practices were expected to result in a Brazilian crop of 31.5 million bags for 1983/84, up 13.75 million from 1982/83. However, heavy rains in the three major coffee-producing states of Sao Paulo, Parana and Minas Gerais in May and June may have damaged the 1983/84 crop. USDA will adjust its estimate for the year when crop conditions can be more accurately assessed.

Over 99 percent of the world's coffee is grown by members of the International Coffee Organization (ICO). During 1983/84 export sales by all producers are expected to total 66.1 million bags, up from 65.9 million bags for 1982/83. Nearly all of the growth in exports which has occurred over the past several years has been to importing non-members. This trend is expected to change in 1983/84 with non-member sales up only slightly.

Coffee prices for sales to member importing countries of the ICO have remained surprisingly firm over the past year. This may indicate consumption among importing members of the ICO is higher than generally believed.

1/ Unless indicated otherwise, production and trade figures are given in terms of 60 kilogram (132.276 lbs.) bags. Area is given in hectares (2.471 acres). GBE means green bean equivalent.

Coffee consumption remains low in producing countries at about .8 kg. per capita. Between 1982/83 and 1983/84, consumption by this group rose by 671,000 bags to about 21.7 million bags.

Barring a frost in Brazil world coffee stocks will grow by 7-10 million bags per year over the next several years. The entire growth should take place in Brazil. Changes in the levels of stocks held by other producing countries will balance out.

SUPPLY AND DISTRIBUTION

Exports

Producing countries are expected to export the GBE of 66.1 million bags of coffee during 1983/84, up from 65.9 bags during 1982/83.

The breakdown in trade volumes between members of the International Coffee Organization (ICO) and non-members is expected to be about as follows for the two years in millions of bags GBE.

Exporters	Importers					
	1982/83			1983/84		
	Members	Non- members	Total	Members	Non- members	Total
Members.....	55.4	10.1	65.5	55.5	10.2	65.7
Non-members.....	.2	.2	.4	.3	.2	.5
Total.....	55.6	10.3	65.9	55.8	10.4	66.2

Although most producing countries would prefer to sell only to member countries at higher prices, some are driven to seek additional sales for financial or political reasons or because their stocks have grown to unmanageable levels.

About 94.6 percent of all coffee exports are in the green form. The only major supplier of processed coffee is Brazil, whose soluble exports are expected to account for about 75 percent of total soluble sales. The ability of most producing countries other than Brazil to export processed products is limited as consuming countries prefer to import and blend beans of their choice. Among the major coffee producers, only Colombia and Ecuador appear to have increased their exports of processed product exports over the past several years. Several others, including India, would like to expand such sales.

Consumption

Coffee consumption in producing countries is expected to grow slightly between crop years 1982/83 and 1983/84. Consumption in some producing countries, such as Malaysia, is rising rapidly, but for most it has remained relatively unchanged for several years.

Between calendar 1981 and 1982, green coffee imports by importing members of the ICO, which account for 80 to 90 percent of world consumption, rose 1.4 percent. This increase cannot be equated directly to the trend in consumption since individual countries may be increasing or decreasing stock levels.

The following tabulation shows the trend in green coffee imports into selected consuming countries over the past two calendar years.

<u>Country</u>	<u>1981</u>	<u>1982</u>	<u>Percent Change</u>
United States	16,555,198	17,415,618	+ 5.2
West Germany	7,483,649	7,428,171	- 0.7
France	5,141,522	5,248,163	+ 2.1
United Kingdom	1,536,068	1,503,657	- 2.1
Switzerland	1,050,467	951,597	- 9.4
Austria	719,387	864,817	+ 20.2
Norway	659,777	651,297	- 1.3
Japan	2,917,401	3,093,938	+ 6.1
Netherlands	2,417,854	2,155,709	- 10.8
Sweden	1,672,733	1,569,200	- 6.2
Belguim/Luxembourg	1,601,953	1,452,693	- 9.3
Canada	1,484,034	1,343,036	- 9.5
Finland	1,016,710	1,073,251	+ 5.6
Denmark	1,049,311	913,842	- 12.9
Italy	<u>3,754,128</u>	<u>4,097,661</u>	<u>+ 9.2</u>
Total	<u>49,060,192</u>	<u>49,762,650</u>	<u>+ 1.4</u>

SOURCE: Official statistics and trade sources.

U.S. Imports and Roastings

U.S. imports of green coffee during October-April 1982/83 totaled 10.5 million bags, or about 800,000 bags more than the 9.7 million bags imported during the first seven months of 1981/82. The value of these imports also increased from \$1.47 billion for the seven-month period in 1981/82 to \$1.62 billion in 1982/83. Roasted/ground and soluble coffee added the green bean equivalent of about 153,000 and 670,000 bags, respectively, for October-April 1982/83.

According to reports from a representative group of roasters, the amount of green coffee roasted through May 28 of calendar 1983 totaled about 6,595,000 bags, down 5.4 percent from the comparable period last year and 12.2 percent from the same period in 1981. The decline tends to indicate the total U.S. coffee consumption is continuing its long-term decline, and the higher level of imports indicates some buildup in stocks is occurring.

Stocks

World coffee stocks in producing countries are expected to increase by about 9.0 million bags between the end of coffee year 1982/83 and 1983/84, reaching 48.7 million bags by the later year. Two-thirds of the increase will occur in Brazil. At the end of 1983/84, world carryover stocks will correspond to about 51.3 percent of the year's production, up from 50.1 percent for 1982/83. As Table 4 shows, carryover stocks for 1983/84 are expected to be proportionally highest in Africa at 61.3 percent and lowest in Asia at 27.4 percent of production.

Prices

As of June 30, the 15-day moving average of the composite indicator price (basis 1979) of the ICO was 123.78 cents per pound. On entering the current calendar year, the 15-day price was 130.94 cents. Since then it has been remarkably stable with a low of only 122.52 cents per pound. In 1982, the 15-day price averaged 124.73 cents, very close to the average for the first five months of 1983. Many producing countries are concerned that while the price they have received for coffee has remained relatively stable their costs have risen, thus, reducing their returns.

Once the threat of a mid-year frost in Brazil is largely past, coffee prices are likely to fall below the \$1.20 composite indicator price per pound leading to one or more 1 million bag cuts in the ICO quota before prices begin to firm again. If a portion of the rising volume of sales to non-member countries is being diverted into member country markets, so far the diversions have not had any major impact on prices.

The relatively stable coffee prices in the world market, at least for sales to ICO countries, have been passed on to consumers. The average monthly wholesale price for a one-pound can of ground/roast coffee in the United States rose only 0.2 cents per pound from October 1982 at 243.0 cents per pound to 243.2 cents for April, 1983.

INTERNATIONAL COFFEE ORGANIZATION

Because of the withdrawal of Hungary and Israel and the inclusion of Fiji as importing members, the International Coffee Agreement of 1976, as extended, now has 72 members (47 exporting and 25 importing).

The International Coffee Agreement 1983 was opened for signature at the United Nations headquarters on January 1, 1983 and remained open through June 30, 1983. While the United States has signed the new Agreement, it must still be ratified by the Senate and a bill must be passed to implement the country's obligations.

African Robusta producers are expected to demand a larger share of the global annual export quota when quotas for 1983/84 are discussed. They hope to regain the 4-percent market share lost to Arabica producers when export quotas were apportioned for the current coffee year.

In October 1982, it was agreed that export quotas would be cut by 750,000 bags following the departure of Hungary and Israel from the ICO. A reduction of 500,000 bags was applied in the April-June 1983 quarter. At its June meeting, the Executive Board voted against implementing the 250,000 bag balance during the final quarter (July/September). A number of other minor adjustments have also occurred. As of April 1, 1983, the ICO's global annual export quota for 1982/83 stood at 55,514,336 bags, down from the 56.0 million bags originally set for the year.

Equatorial Guinea has requested that conditions be established for its accession to the Agreement as an exporting member. The matter is under consideration by the Board. A request by Panama for an increase in its export quota for coffee year 1982/83 was turned down by the Board. A similar request from Paraguay for 1982/83 and subsequent years is still pending. Uganda has requested that its quota be reviewed by both the Board and Council in the light of revised data.

Shipments to non-quota markets rose from 4.5 million bags in coffee year 1977/78 to 8.25 million bags in 1981/82. In the October-April 1982/83 period, ICO member country exports to non-members rose to 5.17 million bags from 4.51 million for a similar period a year earlier. During this period, the "other milds" group of producers accounted for the largest increase--2.37 million bags, up from the 1.13 million bags during the same period last year. Exports to non-members in the October-April 1982/83 period, in thousands of bags, with year-earlier comparisons in parentheses, include: Mexico 613 (3), Costa Rica 395 (151), Ecuador 371 (152), Nicaragua 290 (143), Honduras 237 (6) and Guatemala 197 (307). Other producers with sizable non-member sales include: Brazil 1,050 (982), Ivory Coast 296 (501), Colombia 221 (311), Angola 147 (202), Kenya 97 (212) and Madagascar 25 (250).

In accordance with the decision of the Executive Board taken in Manila on Jan. 28, 1983, exporting members accepted the commitment to provide the Executive Director with documentary evidence that coffee shipped directly to non-members was imported into the country of destination indicated on the accompanying ICO documents. The Executive Director will appoint internationally recognized agents to supervise the importation of coffee exported to the following non-members: Algeria, Argentina, Bulgaria, Chile, Czechoslovakia, Djibouti, Egypt, German Democratic Republic, Hong Kong, Hungary, Iceland, Israel, Jordan, Republic of Korea, Kuwait, Lebanon, Malaysia, Malta, Mauritius, Morocco, Poland, Puerto Rico, Romania, Saudi Arabia, Senegal, South Africa, Swaziland, Syria, Taiwan, Tunisia, Turkey, Uruguay and the USSR. The possibility of adding more countries to this list will be examined.

Exporting members will certify that it is a condition of the sale that the coffee is to be imported into the country of destination named and that buyers will help ensure that the Executive Director or his agents have access to the coffee in order to certify importation. If the Executive Director is satisfied that it is not possible to obtain evidence of importation of the coffee, evidence of landing would be acceptable. For shipments to non-members not included in the preceding list, exporting members must provide other documentation endorsed by the appropriate authorities of the country of destination as evidence of importation. These procedures were to be implemented as of June 1, 1983.

At the April 1983 meeting, the European Community blocked a producer proposal requiring the buyer of coffee passing through European free ports destined for non-members to provide evidence it had reached its destination.

The European Coffee Federation at its May 26-27 meeting in Lille, France, again condemned the existence of a two-tier price market involving the exports of green coffee to countries not members of the ICO at cut-rate prices. The Federation noted that under Article 2 of the Agreement, exporting members of the Organization have undertaken not to adapt or maintain measures which would permit the sales of coffee to non-members at terms commercially more favorable than those which they are prepared to offer importing members. The large price differentials are threatening the Agreement's existence, the Federation claims.

The United States told the International Coffee Council in April that it intended to strengthen its bonding procedures for coffee entering the United States from ICO members without the required documentation.

At its next meeting in late July, the Executive Board will consider an proposal by member exporters to limit imports of coffee from non-members. The United States, Canada and the Nordic countries have agreed to support the proposal which has been opposed by the European Community. Exporting members estimate that only 120,000 bags of the 508,000 bags allocated to non-member producing countries are actually produced in non-member countries. The balance, they believe, is produced by exporting members, shipped to non-members and then exported as non-member coffee.

PRODUCTION, TRADE AND POLICIES

North America

In North America, crops in Costa Rica, the Dominican Republic, El Salvador, Haiti, Honduras and Mexico are expected to be smaller, more than offsetting the larger crop expected in Guatemala.

Costa Rica's 1983/84 (October-September) coffee harvest is forecast at 2.07 million bags, down from 2.30 million bags for 1982/83, but still 70,000 bags greater than an earlier government estimate due to the early rains that enhanced the flowering in non-irrigated areas. The overall decline is due to the normal cyclical pattern of production, offset by higher yields from areas replanted several years ago with proven varieties at greater density.

Export contracts for 1982/83 through mid-April were reported at 955,000 bags valued at \$110.4 million. For the 1982/83 marketing year, exports are forecast at about 1.4 million bags, including 250,000 bags to ICO non-members.

On April 12, 1983, Costa Rica and Israel signed a barter agreement involving the exchange of coffee for agrochemicals. Additional barter sales are possible, since they help stem the drain on the country's monetary reserves and, at the same time, help reduce production and storage costs.

Costa Rica's major concern is the massive growth in stocks, which are projected to rise from 583,000 bags on Sept. 30, 1982 to 1.57 million bags a year later.

El Salvador's 1983/84 (October/September) coffee harvest is forecast at 2.8 million bags, down 100,000 bags from the revised 1982/83 figure. The lower forecast is based on the possible adverse effect of rust, apprehension about implementation of Phase II of the land reform program, guerrilla interference in some areas and the financial difficulties producers have sustained over the past two years.

Grower financing problems are exacerbated by the Instituto Nacional de Cafe's (INCAFE) inability to purchase grower coffee on a timely basis. Only in mid-April 1983 was it able to purchase the remaining 30 percent of the 1981/82 harvest and begin purchasing the 1982/83 crop. The Salvadoran Institute for Coffee Research (ISIC) has indicated it is out of funds to purchase INCAFE stocks of fumigants as well as sprayers, fuel, etc. for use on small farms.

If non-member sales can be pushed to 100,000 bags, El Salvador could export as much as 2.4 million bags during 1982/83. At the end of April 1983, non-member purchases by South Korea, Argentina and Romania had reached 70,000 bags. Additional sales to Turkey and Saudi Arabia are possible. The government does not collect any export tax for non-member sales when the sales price is below \$60 per bag. In addition, foreign currency proceeds can be converted at the rate of 3.8 colones to the U.S. dollar rather than at the official 2.5-to-1 rate.

Stock levels in El Salvador continue to grow and may reach the 2 million bag level by Sept. 30, 1983. El Salvador is authorized by the ICO to store 575,000 bags in bonded warehouses in the United States and Europe for safekeeping. However, INCAFE will keep utilization of this space to a minimum in order to cut costs.

Guatemala's 1983/84 (October-September) crop is estimated at 2.6 million bags 130,000 bags more than in 1982/83. As of May 2, exporters had purchased a total of 1.63 million bags, including 317,500 destined for possible export to non-ICO countries.

Exports during 1982/83 may total only 1.9 million bags leaving ending stocks at around 900,000 bags. Shipments through Feb. 23, 1983, are placed at 863,469 bags. Internal sales and sales to non-ICO markets has fallen since January in anticipation of a general tax reform in July that will abolish the fiscal stamp tax, reform the income tax schedule and lower the export tax on coffee by 50 percent.

Coffee production in Hawaii fell to a record low of 6,000 bags in 1982/83 (October-September) due to adverse weather during flowering. Acreage has stabilized over the past couple of years and may now be showing a modest gain. Weather conditions this year are greatly improved and a much larger harvest of about 14,000 bags is currently in prospect for 1983/84.

If the 1983/84 (October-September) Honduran coffee harvest is down by 5 to 10 percent from the record 1982/83 harvest, as expected, it will total about 1.35 million bags. The lower estimate is based on the assumption that reduced tree care due to rising costs and credit problems will accentuate the cyclical pattern of production. Producers in general have been unable to repay or refinance loans received for the 1982/83 crop. Without the needed funding from BANADESA and BANHCAFE, most growers will not be able to properly prepare their plantations for the 1983/84 harvest.

Rust continues to be a major concern, although it does not seem to have had a measurable effect on production over the past two years. Coffee rust is now found in half of Honduras' 18 departments. One of the goals of a USAID financed project is to help up to 3,000 coffee growers modernize their plantations, making them less susceptible to rust.

As of March 31, Honduras had exported 360,042 bags of coffee to ICO member countries, slightly less than half of the country's authorized quota for coffee year 1982/83. For the entire year Honduras hopes to export 1.1 million bags which would include sales of about 340,000 bags to non-members. Assuming the export goal can be reached, year-end stocks would still rise 235,000 bags to about 635,000 by Sept. 30, 1983, with a further growth of 230,000 bags, projected for 1983/84.

Coffee production in Mexico in 1983/84 (October-September) is expected to total about 4.0 million bags, down 100,000 from a revised estimate of 4.1 million for 1982/83. Increased output from the major growing area around Soconusco, Chiapas State, where up to 30 percent of the crop was destroyed by a tropical storm last summer, will not offset drought-generated reductions in Veracruz and Oaxaca States. Over the past year there have been no significant new coffee plantings in Mexico other than those in the area destroyed by El Chichonal's eruption. Mexican coffee production could decrease over the next few years as yields decline due to the reduced use of fertilizers and insecticides.

Mexican coffee exports, controlled by the Mexican Coffee Institute (INMECAFE), are expected to total 3.0 million bags during 1982/83, including more than a million bags to non-ICO countries. If exports actually reach this level, stocks should be drawn to a point where large scale sales to non-member markets are not required in 1983/84. Exporters who sell to non-member countries receive reimbursement from a 2,200 peso-per-bag fund generated from export sales to quota markets. This program may be modified for next year if Mexico's stocks do, in fact, fall sufficiently during the current marketing year.

Domestic consumption for 1982/83 is estimated at 1.7 million bags, 6 percent over the 1981/82 level. INMECAFE continues its efforts to increase consumption by requiring an improved quality of coffee be served in restaurants.

Nicaragua could harvest a record 1.1 million-bag coffee crop in 1983/84 (October-September) if dry weather does not adversely affect flowering and berry development. The country appears to be harvesting a record 1.075 million bags in 1982/83. Crop quality may have been reduced by the need to employ inexperienced government workers and students to gather the harvest. As encouragement to produce more in 1983/84, prices for the 1982/83 crop have been raised retroactively by 20 percent.

Exports for 1982/83 are now projected at 924,000 bags. Through April 30, they totaled 463,964 bags including 286,311 bags for non-quota markets. Quota-market sales returned an average of \$1.25 per pound, compared to only \$0.75 for those with non-quota destinations. Exports could increase to about 950,000 bags in 1983/84. The Government of Nicaragua would like to limit sales to non-members due to the lower returns; however, to do so will likely lead to a buildup in stocks. Stock levels are now projected to reach 247,000 bags by the end of the current crop year, still relatively low by Central American standards.

Coffee production in Panama may reach 153,000 bags in 1983/84 (October-September), up from 150,900 in 1982/83 and 120,000 bags in 1981/82. Further increases can be expected over the next several years based on the expansion in area, primarily in the Chiriqui region, but also in Colon.

Virtually all of Panama's coffee is exported to ICO member countries. For the 1982/83 coffee year, Panama received a 10,000-bag increase in its annual export quota. With weak demand locally and the expectation of a large coffee harvest in 1983/84, industry officials are expected to push hard for a permanent increase in Panama's ICO export quota.

South America

Total South American production is forecast at 49.2 million bags as a result of increases in Brazil, Peru, Ecuador and Venezuela. Production in Colombia is expected to decline by 300,000 bags to 13.0 million bags due to reduced fertilizer use and less favorable weather.

Brazil's 1983/84 (July/June) harvest estimate is unchanged at between 30 and 33 million bags compared with 17.75 million bags for 1982/83. Exportable production in 1983/84 is estimated at 23 million bags, up over 13 million bags from the 1982/83 level.

The coffee trees affected by the 1981 freeze which reduced the 1982/83 crop have now almost entirely recovered their full production potential. Based on field observations of tree condition, flowering and berry load, the breakdown of the 1983/84 crop estimate by principal producing states, is as follows:

<u>State</u>	<u>Million bags</u>
Parana	5.0-5.5
Sao Paulo	9.0-9.5
Minas Gerais	9.5-10.5
Espirito Santo	4.5-5.0
Other States	2.0-2.5
	<u>30.0-33.0</u>

While Brazil produces primarily Arabica coffee the production estimate for the state of Espirito Santo includes 2 to 2.5 million bags of Robusta coffee.

The 1982/83 crop is believed to have been harvested from a frost-reduced area of 1.8 million hectares. Between 1982/83 and 1983/84, planted area is expected to remain unchanged at about 3.225 million hectares containing 3.4 billion trees of bearing age. An additional 300 million trees are not yet of bearing age.

On a marketing year basis, Brazil's coffee exports are now forecast to total 16.8 million bags during 1982/83, down from 17.6 million bags the preceding year, based on significantly lower soluble exports through April 30, 1983. Accordingly the forecast for 1983/84 has been revised downward from 17.5 to 17.0 million bags. In CY 1982, coffee earnings represented 10.5 percent of total foreign exchange earnings, up from 7.6 percent in CY 1981.

Based on the expectation of a 1983/84 coffee crop nearly twice that of 1982/83, the National Monetary Council made major changes in its marketing policy, effective Jan. 6, 1983. Rather than maintain the Contribution Quota, or export tax at a constant \$50.00 per bag, it is now increased simultaneously by the same percentage of each official cruzeiro devaluation, thereby maintaining unchanged the exporter's cruzeiro return. The second change involves the growers whose support price now remains unchanged at \$24,500 cruzeiros per bag, rather than rising at a rate corresponding to the devaluation of the cruzeiro. These measures are expected to maintain the exporter's cruzeiro returns and at the same time increase the Coffee Fund resources needed by the Brazilian Coffee Institute's (IBC) to buy the 1983/84 crop surplus at lower cost.

Since the IBC's system of export quotas has given satisfactory results, it will be maintained through 1983/84. Prime beneficiaries have been the growers' cooperatives whose annual quotas have risen from 8,000 bags in 1980 to 1.4 million in 1982.

Much of the frost-reduced 1982/83 coffee crop was sold to the IBC by growers leaving stocks of coffee, especially of good quality, in private hands in relatively short supply during the second half of the marketing year. The IBC, therefore, decided to begin offering for sale coffee of export quality as well as domestic consumption quality from its stocks, on the Sao Paulo Exchange as of Feb. 9, 1983. Through May 16, the IBC is reported to have sold 4.14 million bags of an estimated 6 million bags it expected to sell before June 30, 1983.

Brazil's ending coffee stocks on June 30, 1983, have been revised upward from 5.33 to 6.03 million bags due to the lower export estimate for marketing year 1982/83. The revised estimate is still considered critically low. However, if domestic consumption and exports total 8.5 million and 17.0 million bags, respectively, as expected, the large 1983/84 crop should still permit a significant increase in stocks to about 12.03 million bags by June 30, 1984.

Coffee production in Colombia may fall to 13.0 million bags in 1983/84 (October-September), the lowest level in four years. The reduction has been encouraged by the government as excess stocks, projected at 11.4 million bags on Sept. 30, 1983, impose a heavy financial burden on the industry and the country. Most of the reduction has come about as a result of changed management practices, such as reduced fertilization, as the current price/cost ratio can no longer support management practices directed towards maximum yields. Some marginal coffee lands on larger plantations in traditional areas are being switched to livestock production, but the effect on coffee output so far has been negligible.

Colombia's 1982/83 harvest has been revised downward marginally from 13.5 to 13.3 million bags to take into account the affects of adverse weather on production.

Progress toward replacing traditional shade-grown varieties with higher yielding, high density, varieties--grown in full or partial sun conditions--has been an important factor in Colombia's increased coffee output in recent years. The following tabulation shows a comparison of the area in culturally improved plantations with that in traditional plantations as well as the resulting yields and production for the 1981/82 marketing year.

Type of Planation	HECTARES		YIELD :(60 kg bags/ha)	PRODUCTION	
	Number	Percent		Number	Bags
Traditional.....	651,216	64.2	9.5	6.2	43.1
Technical.....	362,478	35.8	22.6	8.2	56.9
Total.....	1,013,694	100.0	14.2	14.4	100.0

SOURCE: Office of the Agricultural Counselor based on information from the Coffee Growers Federation (CGF).

Since December 1980 the percentage of coffee area in culturally improved plantations has increased from 30.9 to 35.8 percent while the total area in coffee has declined by 13.8 percent (from 1.176 to 1.014 million hectares).

At the present time, government programs call for a reduction in tree numbers to 3,000-4,000 per hectare coupled with the introduction of partial shade and reduced fertilization as a strategy for coping with increased production costs, oversupply and stagnant or declining real prices. In 1980, the government terminated all loan programs for planting new coffee areas and only about 4,000 hectares of privately-financed plantations have been established since then.

Officially, green coffee exports amounted to 4.3 million bags during the first six months (Oct. 1, 1982-Mar. 31, 1983) of the current marketing year, 2.7 percent below the similar period last year. Exports to the United States amounted to 892,700 bags or 20.6 percent of the total, up from 18.7 percent during the first half of 1981/82.

By decree 667 of March 1983, the Government of Colombia undertook to restrict coffee exports to select airports and seaports. Other articles dealt with domestic mobilization and storage programs. These actions were taken in order to better control coffee exports, especially to the United States where Customs procedures have been tightened.

Beginning February 19, 1983 the Monetary Board reduced the repatriation requirement (amount of dollars the exporters must surrender to the National Bank) from \$206.50 to \$191.00 for each 70 kg. bag exported. The new level corresponds to a New York ex-dock price of U.S. \$1.33 per pound and is designed to maintain the competitiveness of Colombian coffee in the world market. The repatriation requirement, or "Reintegro Cafetero" as it is locally known, is used to finance the National Coffee Fund.

There is also an ad valorem export tax of 9 percent tied to the Reintegro used by the National Coffee Fund to support grower prices and finance stocks (8 percent) and regular government revenues (1 percent). The retention tax, which is the amount of parchment coffee delivered by the exporter to CGF warehouses without compensation, remains unchanged at the 40 percent level established on October 1, 1982. Earnings from the parchment processed and sold by the CGF also go to the National Coffee Fund to support officially established grower prices.

The 1983/84 (April-March) coffee harvest in Ecuador is placed at 1.957 million bags, 7 percent more than in 1982/83, primarily as a result of acreage expansion and tree maturation. Abnormally heavy rains which have fallen over the past several months have been beneficial in replacing soil moisture reserves depleted over the last two to four years of drought to semi-drought conditions in the coastal region. However, if the heavy rains continue, major crop losses could occur, initially because of flower and fruit drop, and later as it becomes physically impossible to harvest, condition, store and transport the beans from production areas to markets.

Ecuador's coffee exports rose from about 1.2 million bags during crop year 1981/82 to 1.6 million bags during 1982/83. New markets in non-ICO countries were found for both beans and soluble by exporters rewarded for their efforts with additional member-country export quotas. The system has been changed so that individual exporters, whether commercial or industrial, now receive export quotas for member-country shipments in proportion to the amount of foreign exchange delivered to the Central Bank for coffee exported during the preceding three months.

Export quotas are also assigned sectorially. Due to the increased pressure from the rising number of grower organizations, which increased from 43 during coffee year 1981/82 to 80 during the first half of 1982/83, the participation of the agricultural sector has now been retroactively revised to 17 percent. The shares for the industrial sector, mainly soluble producers, and commercial bean exporters are now 18 and 65 percent, respectively.

Peru's 1983/84 (April-March) coffee harvest is forecast at 1.1 million bags, up from the 1982/83 harvest of 950,000 bags. The 1982/83 crop was reduced by sporadic rainfall in the central region as well as higher-than-expected damage from coffee rust and insects (broca).

What Peru regards as a rather restrictive ICO export quota has led to an increase in the level of carryover stocks held by Peruvian coffee producers and traders. The growing stocks have put a downward pressure on grower prices, forcing an evaluation of the merits of production. Some of the smaller, less efficient farmers may shift to other crops, possibly coca leaves for the production of cocaine.

In order to increase export sales, the Coffee Committee (Junta Nacional de Cafe) has reduced coffee export taxes. Effective January 1983, coffee export taxes were lowered from 8 percent to 4 percent, and will be eliminated in 1984. As a result, exports are expected to rise from 620,000 bags in 1982/83 to 750,000 in 1983/84.

An estimated 260,000 bags of coffee are consumed annually in Peru. Due to the reduced availability of non-export quality beans, wholesale prices have been substantially higher this year.

Peru's coffee rust control program is conducted in coordination with other Andean Pact countries, but it is reportedly not reaching the most seriously affected areas, particularly those with a high percentage of small farmers. Efforts by the Coffee Committee to strengthen the program are underway.

The 1983/84 (October-September) Venezuelan crop is expected to be about 1.15 million bags, up 28 percent from the revised figure for 1982/83 because of the cyclical nature of coffee production and good climatic conditions which have so far led to an excellent flowering.

Although internal coffee consumption would probably exceed production even during the years of peak production, a small portion of each year's harvest is reserved for export in order to keep international marketing channels open. Consumption is limited to the national supply. Thus, a much smaller harvest, such as occurred in 1982/83, can lead to substantially reduced consumer availabilities.

Africa

Africa's total crop of 19.7 million bags in 1983/84 is expected to be slightly lower than the 19.8 million bags produced in 1982/83. Decreases in Angola, Ivory Coast and Uganda are expected to exceed increases in Burundi, Cameroon, Madagascar, Tanzania and Zimbabwe.

Total coffee production should reach 1.9 million bags in Cameroon during 1983/84 (October-September), up from 1.87 million this year. Overall production is expected to remain at its current level or edge upward over the next few years. As part of a continuing trend, a portion of the Arabica area has shifted into Robusta and other crops, such as green vegetables which provide similar remuneration with much less labor. Weather conditions have been relatively more favorable this year for Arabica than they have for Robusta, thus partially offsetting the trend.

Grower prices for the 1982/83 crop were up marginally at 350 CFA/kilogram for Robusta (CFA 360=U.S.\$1 in 1983) and 370 CFA/kilogram for Arabica. At one time Arabica prices were nearly double those for Robusta. The relative decline in the premium paid for Arabica coffee may be a major factor in the stagnation of Arabica production.

Coffee production in the Ivory Coast is forecast at 3.5 million bags for 1983/84 (October-September). The reduction from 3.75 million bags in 1982/83 is due mainly to the drought conditions and dry winds during the flowering season. The area in coffee is expected to be down by an estimated 100,000-150,000 hectares because of the December 1982-March 1983 brush fires which affected about 10 percent of the farms. Most of the burned areas were thought to contain older non-harvested trees. In other less severely damaged areas, trees are expected to recover. However, it may take a couple of years before full production is regained. Harvesting of the 1982/83 crop was largely complete before the fires occurred.

National programs call for the planting of approximately 10,000 hectares of improved varieties of coffee and the renovation of an additional 17,000 hectares in 1983. Beyond 1983 the government will not encourage new plantings, but instead will concentrate on the production of food crops.

Exports of green coffee during October-September 1982/83 are projected at 4.5 million bags, the same as in 1981/82. During the first 11 months of calendar 1982, exports totaled around 4.3 million bags, up 12 percent from all of 1981, due to aggressive efforts to develop new markets in non-ICO countries, including Israel and Hungary. France remained the major Ivorian market with 23.6 percent of the total export volume, followed by the United States with 18.6 percent.

Because 1983/84 sales will exceed production, coffee stocks will drop from 2.09 million bags on October 1, 1983 to 1.02 million bags on Sept. 30, 1984, the lowest level in five years. The Ivory Coast will have to try to ensure a somewhat higher level of production in 1984/85 to avoid a further drawdown of stocks.

Coffee production in Kenya in 1983/84 (October-September) is expected to remain essentially unchanged from 1982/83 at 1.5 million bags. Dry weather due to the late arrival of the long rains is expected to adversely affect the flowering and development of next year's cherries, particularly among the large number of non-irrigated farms. Unusual weather conditions during the flowering and early development stages have also resulted in smaller beans being delivered to the Kenya Coffee Board during the first and second quarters of 1982/83. Milling losses of up to 30 percent have been common, compared with 19-20 percent under normal conditions. Average bean quality has been down.

In 1982/83, new plantings barely kept pace with the removal of old and diseased trees. Over the next few years, coffee is not expected to gain a larger share of available land vis-a-vis food crops as in the past. Outbreaks of coffee berry and other diseases have not been serious this year, although there were acute shortages of farm chemicals from September 1982 to January 1983.

From Oct. 1, 1982 to Apr. 6, 1982, a total of 724,470 bags of coffee were classified and sold by the Kenyan Coffee Board. Some 679,244 bags were destined for quota markets, 31,801 for non-quota markets and 13,425 bags for local roasters. Coffee exports for the 1982/83 marketing year are expected to dip nearly 200,000 bags below the 1.7 million bags recorded during 1981/82. A substantial decline in non-quota sales will not be made up by larger quota market sales. Because of low prices in non-quota markets, export sales to these markets have been limited to 3,000-5,000 bags per month for the past several months.

Tanzania's 1983/84 (October-September) coffee crop may be up 50,000 bags over 1982/83 at 1.0 million bags due to generally improved weather and the cyclical pattern of production. A severe shortage of fuel and spare parts and a scarcity of food supplies throughout coffee-growing areas could limit the country's ability to produce and harvest next year's crop. Even if the crop is harvested, internal transportation and processing problems could limit Tanzania's ability to export, especially to ICO non-member countries. Quality could be down for some lots.

The area planted to coffee in Tanzania has increased over the past several years as a result of the Coffee Improvement Program (CIP) financed by the European Community and the government's effort to increase production, especially on small farms, in order to earn additional foreign exchange. It is estimated that 95 percent of the area in coffee is on small holdings as shown below in hectares.

Year	Small Holder	Estates	Total
1980/81	183,132	8,634	191,766
1981/82	186,135	9,378	195,513
1982/83	185,150	9,950	195,100

Coffee on small holdings is heavily interplanted with food crops, particularly bananas.

A lower ICO export quota for 1982/83 and reduced sales to non-quota countries are expected to reduce total exports to 920,000 bags, or 3 percent below the 1981/82 level. Principal export markets are the EC countries, Algeria, the United States, Japan, Sweden and Yugoslavia. Tanzania has a bilateral agreement with Algeria for the sale of 120,000 bags of coffee each year, making it the largest non-quota recipient.

Asia and Oceania

In Asia and Oceania, 1983/84 production is estimated at 9.95 million bags, up 210,000 bags from the preceding year with increases in India and the Philippines offsetting a decline in Indonesia.

Although extremely dry weather conditions have prevailed in India, the biennial bearing tendency of the coffee tree, coupled with increasing output from newer plantings, should lead to a harvest of 2.45 million bags in 1983/84 (October-September), 17 percent higher than the current estimate of 2.1 million bags estimate for 1982/83. The 1983/84 crop will be almost equally divided by type between Arabica (1.25 million bags) and Robusta (1.20 million bags).

As of 1981, 208,269 hectares were devoted to coffee in India. By 1983/84 the total is expected to reach 230,000 hectares. Almost all of the new plantings are Robusta because they are easier to grow in regions where the pattern of rainfall is uncertain.

According to a study conducted by the Coffee Board, 93 percent of the registered estates growing coffee were less than 4 hectares in size as of March 31, 1981. Only 2 percent of the estates were above 10 hectares.

Because India's coffee export quota was reduced from 966,000 bags in 1981/82 to 642,500 bags in 1982/83, exports are expected to fall from 1.49 million bags to 1.30 million. A vigorous market development plan has been launched by the Coffee Board to boost sales in non-member countries especially in Southeast Asia and the Far East. The USSR continues to be India's principal non-member market taking substantial quantities of Indian instant coffee.

Between 1981/82 and 1982/83, domestic consumption rose from an estimated 909,000 bags to 925,000 bags. A further rise to 940,000 bags is forecast for 1983/84.

Indonesia is the largest producer and exporter of coffee in Asia. Ninety percent of the crop is grown by small landowners. The balance is grown on government coffee plantations. Coffee is the fourth largest export component of Indonesia's economy after oil, rubber and timber. In 1982 coffee exports were valued at \$342 million.

The 1983/84 (April-March) Indonesian coffee crop is initially estimated at 5.0 million bags, down from the current estimate of 5.25 million bags for 1982/83. Both crops have been substantially reduced by the prolonged drought of 1982.

Prices of coffee in the wholesale market increased substantially during the first quarter of 1983 due to the lateness of the crop. The new grading system to improve the quality of Indonesia's coffee exports is moving ahead and is expected to be in place by Oct. 1, 1983.

Excessive stock levels continue to be one of the coffee sector's most serious problems. Between Mar. 31, 1981 and Mar. 31, 1982, carryover stock levels rose dramatically from 662,000 bags to 1.8 million bags. In order to lower the level, Indonesia embarked on an extremely aggressive marketing system. At present, the government will issue export permits for an additional 80 kilograms of coffee to ICO destinations for every 100 kilograms marketed in non-ICO countries. Through these efforts, stock levels were expected to fall to 1.5 million bags on Mar. 30, 1983, and, due to the smaller 1983/84 harvest, to 1.05 million bags on Mar. 31, 1984.

In Malaysia, a slow but steady growth in new fruit bearing areas has brought output to the 163,000 bag level in 1983/84 (October-September). Low coffee prices and limited overseas markets have, however, discouraged farmers from investing in new plantings since 1980. Government programs to intercrop coffee with coconut palms have not been successful, because farmers prefer more lucrative crops such as cocoa.

Malaysia's coffee stocks have been piling up in the hands of the Federal Agricultural Marketing Agency (FAMA) as the export markets for the main variety grown, "Liberica," are extremely limited. About half of Malaysia's exports are marketed in Singapore.

Prospects for the 1983/84 (July-June) Papua New Guinea coffee crop are still somewhat uncertain, but are provisionally estimated at 920,000 bags. The major determining factor will be the weather over the next several months. New plantings made in recent years are now reaching bearing age and should lead to a harvest larger than the 1982/83 crop (900,000 bags) that was reduced by the dry conditions experienced in 1982 and early 1983. The government is still actively encouraging the development of export crops, including coffee, by providing loans at subsidized interest rates.

Exports in 1982/83 were expected to total about 900,000 bags, including about 300,000 bags to non-quota markets, mainly East Germany, Poland, Romania and Czechoslovakia. West Germany, Australia, the United States and the United Kingdom remain as the major member-country destinations.

If the 1982/83 bag export target of 900,000 bags was achieved, carryover stocks as of July 1 should have totaled about 200,000-210,000 bags, down slightly from the 220,000-bag carryover at the end of 1981/82. To cope with the current coffee surplus, the Coffee Industry Board has constructed additional warehouse space at Goroka.

Widespread moisture deficiencies in peninsular grown Robusta coffee in southern Thailand have reduced the country's output to 285,000 bags for 1983/84 (October-September), down nearly 10 percent from the revised estimate of the 1982/83 crop. The estimate includes 18,000 bags of Robusta grown in northern Thailand where a change in the cropping pattern in favor of coffee has been more modest than originally targeted. Under normal weather the gradual uptrend in Robusta production should resume over the next few years as trees planted since 1978 begin to bear or advance to a more productive stage.

Coffee exports have increased dramatically over the past couple of years, much of it green coffee destined for Singapore. Attempts are being made to boost exports of processed products.

Marketing policy underwent a major change in February of this year when exporters agreed to purchase 1.5 tons of coffee for every ton of ICO export quota received from the government.

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TABLE 1 COFFEE, GREEN: TOTAL PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1974/75-1978/79, ANNUAL 1979/80-1983/84 1/
(IN THOUSANDS OF 60 KILO BAGS) 2/

REGION AND COUNTRY	AVERAGE 1974/75-1978/79	1979/80	1980/81	1981/82	1982/83	1983/84
NORTH AMERICA:						
COSTA RICA.....	1,447	1,522	2,023	1,875	2,300	2,070
CUBA.....	345	372	344	383	350	360
DOMINICAN REPUBLIC.....	881	1,009	1,112	850	1,100	1,006
EL SALVADOR.....	2,933	3,322	2,940	2,633	2,900	2,800
GUATEMALA.....	2,402	2,647	2,702	2,653	2,470	2,600
HAITI.....	523	669	465	485	600	475
HONDURAS.....	938	1,137	1,265	1,230	1,456	1,350
JAMAICA.....	22	34	20	23	25	25
MEXICO.....	3,784	3,600	3,862	4,050	4,100	4,000
NICARAGUA.....	869	1,019	933	950	1,075	1,100
PANAMA.....	86	105	142	120	151	153
TRINIDAD-TOBAGO.....	49	37	46	41	34	39
US-HAWAII.....	11	13	9	13	6	14
US-PUERTO RICO.....	174	183	234	198	246	246
TOTAL NORTH AMERICA.....	14,463	15,669	16,097	15,504	16,813	16,238
SOUTH AMERICA:						
BOLIVIA.....	114	137	145	135	145	135
BRAZIL.....	19,460	22,000	21,500	33,000	17,750	31,500
COLOMBIA.....	10,090	12,712	13,500	14,343	13,300	13,000
ECUADOR.....	1,334	1,609	1,517	1,792	1,835	1,957
GUYANA.....	17	22	26	26	25	25
PARAGUAY.....	100	40	130	259	271	300
PERU.....	977	1,265	1,170	1,100	950	1,100
VENEZUELA.....	942	1,031	1,109	1,130	897	1,150
TOTAL SOUTH AMERICA.....	33,034	38,816	39,097	51,785	35,173	49,167
AFRICA:						
ANGOLA.....	1,367	260	586	392	530	450
BENIN.....	18	5	36	37	40	40
BURUNDI.....	358	466	315	730	308	500
CAMEROON.....	1,523	1,658	1,959	1,953	1,867	1,900
CENTRAL AFRICAN REPUBLIC.....	161	230	277	284	308	300
CONGO, BRAZZAVILLE.....	45	43	35	36	32	35
EQUATORIAL GUINEA.....	25	10	15	20	30	35
ETHIOPIA.....	2,833	3,188	3,264	3,212	3,350	3,350
GABON.....	4	8	8	15	16	15
GHANA.....	53	35	27	27	33	30
GUINEA.....	79	48	112	64	65	60
IVORY COAST.....	4,497	3,973	6,090	4,050	3,750	3,500
KENYA.....	1,338	1,531	1,701	1,489	1,500	1,500
LIBERIA.....	121	171	147	155	170	160
MAOAGASCAR.....	1,103	1,313	1,150	1,305	1,200	1,250
MALAWI.....	2	5	7	10	9	9
NIGERIA.....	53	40	52	62	60	60
RWANDA.....	427	501	506	502	500	500
SIERRA LEONE.....	130	172	157	179	170	170
TANZANIA.....	878	800	960	1,110	917	1,000
TOGO.....	126	182	165	225	150	175
UGANDA.....	2,438	2,042	2,133	2,885	3,200	3,000
ZAIRE (CONGO,K).....	1,237	1,316	1,526	1,400	1,450	1,450
ZIMBABWE.....	70	68	94	82	117	167
TOTAL AFRICA.....	18,887	18,065	21,322	20,224	19,772	19,656
ASIA:						
INDIA.....	1,757	2,495	1,977	2,540	2,100	2,450
INDONESIA.....	3,544	4,803	5,365	5,785	5,250	5,000
MALAYSIA.....	128	133	139	148	159	163
PHILIPPINES.....	550	811	944	1,067	875	1,000
PORTUGUESE TIMOR 3/.....	58	--	--	--	--	--
THAILAND.....	106	152	201	296	317	285
VIETNAM.....	63	70	70	60	60	60
YEMEN, ARAB REP.....	47	53	57	60	65	65
TOTAL ASIA.....	6,252	8,517	8,753	9,956	8,826	9,023
OCEANIA:						
NEW CALEDONIA.....	9	10	10	10	10	10
PAPUA NEW GUINEA.....	684	840	880	860	900	920
TOTAL OCEANIA.....	693	850	890	870	910	930
WORLD TOTAL.....	73,328	81,917	86,159	98,339	81,494	95,014

1/ Coffee marketing year begins about October in some countries and in April or July in others. 2/ 132.276 pounds. 3/ Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements.

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.

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Foreign Production Estimate Division, FAS/USDA

TABLE 2 COFFEE, GREEN: EXPORTABLE PRODUCTION UNSPECIFIED COUNTRIES - AVERAGE 1974/75-1978/79, ANNUAL 1979/80-1983/84^{1/}
(IN THOUSANDS OF 60 KILO BAGS)^{2/}

REGION AND COUNTRY	AVERAGE 1974/75-1978/79	1979/80	1980/81	1981/82	1982/83	1983/84
NORTH AMERICA:						
COSTA RICA.....	1,265	1,311	1,815	1,632	2,077	1,837
CUBA.....	--	--	--	--	--	--
DOMINICAN REPUBLIC.....	605	724	822	555	800	706
EL SALVADOR.....	2,747	3,122	2,740	2,433	2,700	2,600
GUATEMALA.....	2,105	2,332	2,381	2,328	2,135	2,260
HAITI.....	302	449	240	264	375	250
HONDURAS.....	833	1,023	1,149	1,110	1,336	1,230
JAMAICA.....	10	22	8	11	14	14
MEXICO.....	2,323	2,310	2,362	2,450	2,400	2,250
NICARAGUA.....	789	936	849	855	980	1,000
PANAMA.....	20	39	77	54	85	86
TRINIDAD-TOBAGO.....	36	21	24	23	16	20
US-HAWAII.....	--	--	--	--	--	--
US-PUERTO RICO.....	--	--	--	--	--	--
TOTAL NORTH AMERICA.....	11,037	12,289	12,467	11,715	12,918	12,253
SOUTH AMERICA:						
BOLIVIA.....	84	103	111	100	109	98
BRAZIL.....	11,760	14,000	13,500	24,500	9,750	23,000
COLOMBIA.....	8,594	10,962	11,675	12,492	11,445	11,140
ECUADOR.....	1,155	1,398	1,297	1,562	1,595	1,707
GUYANA.....	--	2	3	3	3	3
PARAGUAY.....	79	18	108	237	248	278
PERU.....	727	1,015	929	842	690	840
VENEZUELA.....	228	64	19	23	--	50
TOTAL SOUTH AMERICA.....	22,627	27,562	27,642	39,759	23,840	37,116
AFRICA:						
ANGOLA.....	1,312	220	545	350	487	406
BENIN.....	17	4	35	36	39	39
BURUNDI.....	355	463	312	727	305	497
CAMEROON.....	1,496	1,626	1,926	1,918	1,832	1,865
CENTRAL AFRICAN REPUBLIC.....	149	216	260	266	290	281
CONGO, BRAZZAVILLE.....	44	42	34	35	31	34
EQUATORIAL GUINEA.....	15	--	--	--	--	25
ETHIOPIA.....	1,179	1,555	1,664	1,596	1,720	1,700
GABON.....	3	7	7	14	15	14
GHANA.....	41	27	23	23	28	25
GUINEA.....	74	42	106	58	59	54
IVORY COAST.....	4,258	3,908	6,026	3,985	3,682	3,430
KENYA.....	1,300	1,468	1,648	1,434	1,444	1,442
LIBERIA.....	115	165	141	149	164	154
MADAGASCAR.....	962	1,158	984	1,132	1,023	1,170
MALAWI.....	2	5	7	10	9	9
NIGERIA.....	--	--	--	--	--	--
RWANDA.....	425	499	504	500	498	498
SIERRA LEONE.....	125	167	152	174	165	164
TANZANIA.....	855	786	945	1,094	901	984
TOGO.....	125	181	164	224	149	174
UGANDA.....	2,403	2,001	2,090	2,840	3,154	2,953
ZAIRE (CONGO-K).....	1,077	1,141	1,346	1,215	1,265	1,233
ZIMBABWE.....	62	59	85	72	107	159
TOTAL AFRICA.....	16,395	15,740	19,004	17,852	17,367	17,310
ASIA:						
INDIA.....	974	1,599	1,090	1,631	1,175	1,510
INDONESIA.....	2,530	3,723	4,137	4,618	4,100	3,900
MALAYSIA.....	12	--	--	--	--	--
PHILIPPINES.....	203	404	512	572	355	450
PORTUGUESE TIMOR ^{3/}	50	--	--	--	--	--
THAILAND.....	13	42	83	151	167	125
VIETNAM.....	31	35	35	25	25	25
YEMEN, ARAB REP.....	37	43	47	50	55	55
TOTAL ASIA.....	3,849	5,846	5,904	7,047	5,877	6,065
OCEANIA:						
NEW CALEDONIA.....	--	--	--	--	--	--
PAPUA NEW GUINEA.....	670	824	864	844	884	904
TOTAL OCEANIA.....	670	824	864	844	884	904
WORLD TOTAL.....	54,577	62,261	65,881	77,217	60,886	73,648

^{1/} Coffee marketing year begins about October in some countries and April or July in others. Exportable production represents total harvested production minus estimated domestic consumption. ^{2/} 132,276 pounds. ^{3/} Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements.

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.

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Horticultural and Tropical Products Division, FAS/USDA

TABLE 3

WORLD COFFEE SUPPLY AND DISTRIBUTION, 1961-1984

(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	
1961/62	65,124	75,248	275	141,351	21,071	45,960	56	74,129
1962/63	74,129	67,789	257	142,174	14,684	46,781	42	80,539
1963/64	80,539	65,338	182	146,059	17,613	50,886	69	77,372
1964/65	77,372	52,652	178	130,202	16,738	41,769	58	71,557
1965/66	71,557	82,154	249	153,960	17,801	49,670	37	86,190
1966/67	86,190	63,384	279	149,853	19,248	48,328	26	81,686
1967/68	81,686	71,142	273	153,101	18,069	54,723	55	79,516
1968/69	79,516	63,286	229	143,031	19,635	52,546	76	69,810
1969/70	69,810	69,625	267	139,702	18,888	53,865	83	65,707
1970/71	65,707	59,425	505	125,637	19,368	50,554	112	54,351
1971/72	54,351	73,312	524	128,187	19,049	56,650	249	58,488
1972/73	50,648	77,197	498	128,343	17,455	59,009	346	61,401
1973/74	49,492	65,731	563	115,786	19,013	58,299	192	60,639
1974/75	36,133	82,786	564	119,483	19,216	53,308	235	55,528
1975/76	44,738	73,159	525	118,422	19,194	57,299	371	59,837
1976/77	39,394	60,907	579	100,880	18,397	54,240	351	56,767
1977/78	25,716	70,849	602	97,167	18,783	47,759	185	48,837
1978/79	29,547	78,942	713	109,202	19,482	61,916	225	64,571
1979/80	25,149	81,917	729	107,795	19,993	55,015	224	61,758
1980/81	26,044	86,159	676	112,879	20,601	56,983	160	59,931
1981/82	32,347	98,339	740	131,426	21,452	60,336	187	64,484
1982/83	45,490	81,499	753	127,742	21,041	62,543	185	65,853
1983/84	40,848	95,014	716	136,578	21,712	62,551	190	66,135

NOTE: TOTAL MAY NOT ADD BECAUSE OF ROUNDING, -- DENOTES UNAVAILABLE, NEGLIGIBLE, OR ZERO

HORTICULTURAL AND TROPICAL PRODUCTS DIVISION
COMMODITY PROGRAMS, FAS, USDA

JULY 1983

TABLE 4
WORLD COFFEE STOCKS AS PERCENT OF CROP YEAR PRODUCTION
IN PRODUCING COUNTRIES, 1981/82-1983/84

Country	Estimate 1981/82			Estimate 1982/83			Forecast 1983/84		
	Production	Stocks	Percent	Production	Stocks	Percent	Production	Stocks	Percent
	: 1,000 bags	: 1,000 bags	: Carryover	: 1,000 bags	: 1,000 bags	: Carryover	: 1,000 bags	: 1,000 bags	: Carryover
North America and Caribbean									
Costa Rica.....	1,875	430	22.9	2,300	1,057	46.0	2,070	1,414	68.3
Cuba.....	383	---	---	350	---	---	360	---	---
Dominican Republic.....	850	394	46.4	1,100	544	49.5	1,006	624	62.0
El Salvador.....	2,633	1,594	60.5	2,900	1,894	65.3	2,800	1,994	71.2
Guatemala.....	2,653	700	23.4	2,470	935	37.9	2,600	895	34.4
Haiti.....	485	13	2.7	600	38	6.3	475	13	27.4
Honduras.....	1,230	399	32.4	1,456	635	43.6	1,350	865	64.1
Jamaica.....	23	5	21.7	25	3	12.0	25	5	20.0
Mexico.....	4,050	1,530	37.8	4,100	930	22.7	4,000	1,080	27.0
Nicaragua.....	950	191	20.1	1,075	247	23.0	1,100	227	20.6
Panama.....	120	14	11.7	151	24	15.9	153	35	22.9
Trinidad & Tobago.....	41	4	9.8	34	4	11.8	39	5	12.8
U.S. Hawaii.....	13	---	---	6	---	---	14	---	---
U.S. Puerto Rico.....	198	21	10.6	246	30	12.2	246	36	14.6
Total and Average.....	15,504	5,295	34.2	16,813	6,341	37.7	16,238	7,193	44.3
South America									
Bolivia.....	135	28	20.7	145	19	13.1	135	15	11.1
Brazil.....	33,000	13,080	39.6	17,750	6,030	34.0	31,500	12,030	38.2
Colombia.....	14,343	9,641	67.2	13,300	11,386	85.6	13,000	12,826	98.7
Ecuador.....	1,792	950	53.0	1,835	965	52.6	1,957	1,022	52.2
Guyana.....	26	---	---	25	---	---	25	---	---
Paraguay.....	259	107	42.6	271	160	59.0	300	238	79.3
Peru.....	1,100	320	29.1	950	390	41.1	1,100	480	43.6
Venezuela.....	1,130	207	18.3	897	108	12.0	1,150	128	11.1
Total and Average.....	51,785	24,333	47.0	35,173	19,058	54.2	49,167	26,739	54.4
Africa									
Angola.....	392	1,400	357.1	530	1,187	224.0	450	843	187.3
Benin.....	37	---	---	40	---	---	40	---	---
Burundi.....	730	195	26.7	308	86	27.9	500	123	24.6
Cameroon.....	1,953	1,455	74.5	1,867	1,788	95.8	1,900	2,054	108.1
Central Africa Republic.....	284	12	4.2	308	34	11.0	300	45	15.0
Congo.....	36	3	8.3	32	4	12.5	35	5	14.3
Equatorial Guinea.....	20	---	---	30	---	---	35	---	---
Ethiopia.....	3,212	1,357	42.2	3,350	1,627	48.6	3,350	1,927	57.5
Gabon.....	15	---	---	16	---	---	15	---	---
Ghana.....	27	15	55.6	33	12	36.4	30	11	36.7
Guinea.....	64	25	39.1	65	19	29.2	60	15	25.0
Ivory Coast.....	4,050	2,908	71.8	3,750	2,090	55.7	3,500	1,020	29.1
Kenya.....	1,489	746	50.1	1,500	680	45.3	1,500	572	38.1
Liberia.....	155	23	14.8	170	21	12.4	160	15	9.4
Madagascar.....	1,305	697	53.4	1,200	720	60.0	1,250	890	71.2
Malawi.....	10	---	---	9	---	---	9	---	---
Nigeria.....	62	26	41.9	60	30	50.0	60	25	41.7
Rwanda.....	502	124	24.7	500	222	44.4	500	280	56.0
Sierra Leone.....	179	8	4.5	170	13	7.6	170	10	5.9
Tanzania.....	1,110	369	33.2	917	350	38.2	1,000	384	38.4
Togo.....	225	37	16.4	150	26	17.3	175	20	11.4
Uganda.....	2,885	1,900	65.9	3,200	2,354	73.6	3,000	2,707	90.2
Zaire.....	1,400	876	62.6	1,450	991	68.3	1,450	1,099	75.8
Zimbabwe.....	82	9	11.0	117	20	17.1	167	13	7.8
Total and Average.....	20,224	12,185	60.3	19,772	12,274	62.1	19,656	12,058	61.3
Asia									
India.....	2,540	945	37.2	2,100	820	39.0	2,450	830	33.9
Indonesia.....	5,785	1,800	31.1	5,250	1,500	28.6	5,000	1,050	21.0
Malaysia.....	148	42	28.4	159	58	36.5	163	39	23.9
Philippines.....	1,067	600	56.2	875	525	60.0	1,000	535	53.5
Thailand.....	296	70	23.6	317	64	20.2	285	21	7.4
Vietnam.....	60	---	---	60	---	---	60	---	---
Yemen Arab Republic.....	60	---	---	65	---	---	65	---	---
Total and Average.....	9,956	3,457	34.7	8,826	2,967	33.6	9,023	2,475	27.4
Oceania									
New Caledonia.....	10	---	---	10	---	---	10	---	---
Papua New Guinea.....	860	220	25.6	900	208	23.1	920	266	28.9
Total and Average.....	870	220	25.3	910	208	22.9	930	266	28.6
World Total.....	98,339	45,490	46.3	81,494	40,848	50.1	95,014	48,731	51.3

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.

TABLE 5

COFFEE YEAR 1982/83

ANNUAL EXPORT QUOTAS AS OF APRIL 1, 1983

(60 kilo bags)

Exporting Member	Initial annual quota	Part of restored third quota cut transferred from 1981/82 to 1982/83	Additional export entitlement	Withholdings and Reductions		Current annual quota 3/ col.(1)+(2) +(3)-(4)-(5)
				Quarter Jan.-March 1983 1/	Quarter April-June 1983 2/	
	(1)	(2)	(3)	(4)	(5)	(6)
TOTAL	56 000 000	421 800	93 136	500 000	500 000	55 514 336
A. Sub-total: Members entitled to a basic quota	52 785 440	421 200	4 158	500 000	500 000	52 210 798
Colombian Milder	10 425 267	205 875		99 696	99 696	10 431 750
Colombia	8 435 554	164 000		80 668	80 668	8 438 218
Kenya	1 285 023	26 479		12 289	12 289	1 286 924
Tanzania	704 690	15 396		6 739	6 739	706 608
Other Milder	12 104 087	94 877	4 158	115 750	115 750	11 971 622
Costa Rica	1 119 213	24 852		10 703	10 703	1 122 659
Dominican Republic	492 247	0	4 158 4/	4 707	4 707	486 991
Ecuador	1 124 395	0		10 752	10 753	1 102 890
El Salvador	2 321 332	43 974		22 199	22 198	2 320 909
Guatemala	1 797 996	0		17 194	17 194	1 763 608
Honduras	772 050	0		7 383	7 383	757 284
India	642 511	0		6 144	6 144	630 223
Mexico	1 891 264	0		18 086	18 086	1 855 092
Nicaragua	663 238	0		6 343	6 343	650 552
Papua New Guinea	601 059	11 537		5 748	5 748	601 100
Peru	678 782	14 514		6 491	6 491	680 314
Brazilian and Other Arabicas	17 332 264	5 038		165 746	165 746	17 005 810
Brazil	15 974 700	0		152 764	152 764	15 669 172
Ethiopia	1 357 564	5 038		12 982	12 982	1 336 638
Robustas	12 923 822	115 410		118 808	118 808	12 801 616
Angola	500 000	0		0	0	500 000
Indonesia	2 357 602	43 301		22 546	22 545	2 356 012
OAMCAF 5/	6 197 127	0		59 262	59 262	6 078 603
Philippines	470 000	0		4 495	4 495	461 010
Uganda	2 300 606	49 213		22 000	22 001	2 305 818
Zaire	1 098 487	22 696		10 505	10 505	1 100 173
B. Sub-total: Members exempt from basic quotas	3 214 560	0	88 978	0	0	3 303 538

1/ Withheld by Board Decision

2/ Reduction due to the cessation of membership of Israel and Hungary

3/ Includes 250,000 bags which may be deducted from quotas in the quarter July-September 1983 due to the cessation of membership of Israel and Hungary

4/ Compensation for the shortfall which the Dominican Republic declared and did not export in coffee year 1981/82

5/ Includes Ivory Coast, Cameroon and Madagascar; the current annual quota of all members of OAMCAF is 6,770,403 bags

COFFEE YEAR 1982/83

ANNUAL & QUARTERLY QUOTAS AS OF APRIL 1, 1983

(60 kilo bags)

Exporting Member	Current annual quota	Quarterly quotas			
		Oct.-Dec. 1982	Jan.-March 1983	April-June 1983	July-Sept. 1983 1/
	(1)	(2)	(3)	(4)	(5)
TOTAL	55 514 336	14 472 601	13 513 917	13 513 910	14 013 908
A. Sub-total: Members entitled to a basic quota	52 210 798	13 646 716	12 688 032	12 688 025	13 188 025
Colombian Milder	10 431 750	2 812 191	2 506 622	2 506 620	2 606 317
Colombia	8 438 218	2 272 888	2 028 221	2 028 220	2 108 889
Kenya	1 286 924	347 735	308 967	308 967	321 255
Tanzania	706 608	191 568	169 434	169 433	176 173
Other Milder	11 971 622	3 125 056	2 910 274	2 910 271	3 026 021
Costa Rica	1 122 659	304 655	269 100	269 100	279 804
Dominican Republic	486 991	127 220 2/	118 355	118 355	123 061
Ecuador	1 102 890	281 099	270 347	270 346	281 098
El Salvador	2 320 909	624 307	558 134	558 135	580 333
Guatemala	1 763 608	449 499	432 305	432 305	449 499
Honduras	757 284	193 012	185 630	185 629	193 013
India	630 223	160 628	154 484	154 484	160 627
Mexico	1 855 092	472 816	454 730	454 730	472 816
Nicaragua	650 552	165 809	159 467	159 466	165 810
Papua New Guinea	601 100	161 802	144 517	144 517	150 264
Peru	680 314	184 209	163 205	163 204	169 696
Brazilian and Other Arabicas	17 005 810	4 338 104	4 167 320	4 167 320	4 333 066
Brazil	15 669 172	3 993 675	3 840 911	3 840 911	3 993 675
Ethiopia	1 336 638	344 429	326 409	326 409	339 391
Robustas	12 801 616	3 371 365	3 103 816	3 103 814	3 222 621
Angola	500 000	150 000	116 667	116 667	116 666
Indonesia	2 356 012	632 901	566 855	566 855	589 401
OAMCAF 3/	6 078 603	1 549 282	1 490 020	1 490 020	1 549 281
Philippines	461 010	117 500	113 005	113 005	117 500
Uganda	2 305 818	624 364	553 152	553 150	575 152
Zaire	1 100 173	297 318	264 117	264 117	274 621
B. Sub-total: Members exempt from basic quotas	3 303 538	825 885	825 885	825 885	825 883

- 1/ Includes 250,000 bags which may be deducted from quotas due to the cessation membership of Israel and Hungary
- 2/ Includes 4,158 bags in compensation for the shortfall declared and not exported by the Dominican Republic in coffee year 1981/82
- 3/ Excludes Members of OAMCAF exempt from basic quotas; the current annual quota of all Members of OAMCAF is 6,770,403 bags

TABLE 7

COFFEE YEAR 1982/83

EXPORT ENTITLEMENTS OF EXPORTING MEMBERS EXEMPT FROM BASIC QUOTAS

AS OF APRIL 1, 1983

(60 kilo bags)

Exporting Member	Export entitlement		
	Initial (1)	Additional (2)	Col. (1)+(2) (3)
TOTAL (a) with OAMCAF	3 214 560	88 978	3 303 538
(b) without OAMCAF	2 522 760	88 978	2 611 738
Sub-total: Members exporting less than 100 000 bags (without OAMCAF)	476 260	50 103	526 363
Ghana (R)	50 516		50 516
Jamaica (A)	17 388	6 000 1/	23 388
Malawi (A)	23 333		23 333
Nigeria (R)	73 333		73 333
Panama (A)	65 600	10 103 2/	75 703
Sri Lanka (R)	54 000	18 000 2/	72 000
Trinidad and Tobago (R)	34 090		34 090
Venezuela (A)	80 000		80 000
Zimbabwe (A)	78 000	16 000 2/	94 000
Sub-total: Members exporting 100 000 bags or more (without OAMCAF)	2 046 500	38 875	2 085 375
Bolivia (A)	109 500		109 500
Burundi (A)	430 000		430 000
Guinea (R)	100 000		100 000
Haiti (A)	400 000		400 000
Liberia (R)	130 000	15 000 2/	145 000
Paraguay (A)	108 500		108 500
Rwanda (A)	430 000		430 000
Sierra Leone (R)	234 000		234 000
Thailand (R)	104 500	23 875 2/	128 375
OAMCAF (R)	691 800		691 800
(a) Members exporting less than 100 000 bags	132 800		132 800
Benin	52 800		52 800
Congo	40 000		40 000
Gabon	40 000		40 000
(b) Members exporting 100 000 bags or more	559 000		559 000
Central African Republic	266 500		266 500
Togo	292 500		292 500

1/ Decision of the Board

2/ Decision of the Council

(A) = Arabica

(R) = Robusta

TABLE 8
1983 ICO COMPOSITE INDICATOR PRICE (1979 AGREEMENT)
(U.S. CENTS PER POUND EQUIVALENT)

Composite Daily ICO Price (1979)		U.S. Coffee Prices, 15-Day Average												
Daily		Jan.	Feb.	March	April	May	June	Day	Jan.	Feb.	March	April	May	June
1.....	---	123.16	121.94	---	---	---	124.14	1.....	---	125.98	124.36	---	---	126.12
2.....	---	123.38	122.20	---	---	124.92	122.98	2.....	---	125.68	124.09	---	123.53	126.06
3.....	131.01	123.38	122.28	---	---	125.25	123.44	3.....	130.94	125.41	123.85	---	123.72	126.03
4.....	130.66	123.92	122.26	123.15	125.62	---	---	4.....	130.84	125.21	123.63	123.65	123.93	---
5.....	130.77	---	---	122.38	125.39	---	---	5.....	130.74	---	---	123.58	124.14	---
6.....	129.55	---	---	121.53	125.00	---	123.70	6.....	130.57	---	---	123.44	124.30	125.97
7.....	128.97	125.28	122.04	122.10	---	---	124.04	7.....	130.43	125.08	123.40	123.32	---	125.82
8.....	---	126.30	121.85	121.44	---	---	123.95	8.....	---	125.09	123.17	123.20	---	125.61
9.....	---	125.83	122.62	---	124.37	---	124.47	9.....	---	125.04	122.98	---	124.38	125.53
10.....	127.76	125.65	122.61	---	123.88	---	124.02	10.....	130.26	124.97	122.86	---	124.43	125.42
11.....	126.72	125.47	122.78	122.12	124.00	---	---	11.....	130.03	124.92	122.75	123.09	124.51	---
12.....	127.87	---	---	122.40	123.75	---	---	12.....	129.85	---	---	122.92	124.56	---
13.....	127.54	---	---	122.35	124.64	---	123.91	13.....	129.61	---	---	122.90	124.60	125.28
14.....	126.94	125.36	123.43	122.24	---	---	124.00	14.....	129.34	124.90	122.66	122.76	124.60	125.17
15.....	---	125.35	123.70	122.72	---	---	124.24	15.....	---	124.86	122.64	122.62	---	125.02
16.....	---	124.45	122.85	---	126.25	---	124.44	16.....	---	124.77	122.57	---	124.71	124.78
17.....	127.20	124.51	123.52	---	127.10	---	124.55	17.....	129.10	124.70	122.58	---	124.92	124.50
18.....	126.19	124.72	123.80	123.16	125.76	---	---	18.....	128.81	124.70	122.65	122.57	125.00	---
19.....	126.52	---	---	123.00	125.68	---	123.76	19.....	128.55	---	---	122.57	125.68	---
20.....	126.72	---	---	122.82	126.05	---	123.06	20.....	128.31	---	---	122.52	125.18	124.18
21.....	126.16	---	---	123.10	---	---	123.06	21.....	128.04	---	122.81	122.48	---	123.91
22.....	---	124.06	123.37	123.73	---	---	123.48	22.....	---	124.72	122.90	122.52	---	123.87
23.....	---	123.77	124.34	---	125.55	---	123.69	23.....	---	124.76	123.04	---	125.22	123.92
24.....	125.74	123.43	124.83	---	126.55	---	123.89	24.....	127.69	124.77	123.21	---	125.31	123.95
25.....	125.84	122.74	123.96	124.72	128.051	---	---	25.....	127.37	124.72	123.33	122.62	125.47	---
26.....	125.85	---	---	123.93	128.65	---	---	26.....	127.04	---	---	122.72	125.69	---
27.....	125.52	---	---	124.46	128.66	---	123.75	27.....	126.77	---	---	122.92	125.93	123.95
28.....	124.77	121.88	123.01	124.10	---	---	123.05	28.....	126.49	124.59	123.39	123.15	---	123.88
29.....	---	---	123.56	124.62	---	---	123.62	29.....	---	---	123.51	123.34	---	123.86
30.....	---	---	123.71	---	---	---	123.31	30.....	---	---	123.58	---	---	123.78
31.....	123.74	---	123.33	---	127.02	---	---	31.....	126.22	---	123.63	---	126.11	---
Ave...:	127.24	124.35	123.14	123.00	125.82	123.80	Ave...:	128.90	124.99	123.20	122.94	124.82	124.82	124.85

Note: Dashes denote weekends and holidays.

TABLE 9
GREEN COFFEE: U.S. GROSS IMPORTS BY COUNTRY OR AREA OF ORIGIN,
AVERAGE 1973-77, ANNUAL 1979-82

	AVERAGE 1973-77		1979		1980		1981		1982	
	Mil. bags	Per- cent	Mil. bags	Per- cent	Mil. bags	Per- cent	Mil. bags	Per- cent	Mil. bags	Per- cent
Brazil.....	3.33	17	1.89	10	3.51	19	3.24	20	3.37	19
Africa and Asia.....	6.90	36	4.88	25	4.78	26	5.92	36	6.40	37
Europe.....	.05	---	.03	---	.26	2	.19	1	.18	1
Mild Coffees:										
Colombia.....	2.80	15	3.89	20	3.40	19	1.73	10	1.71	10
Other South America.....	1.25	7	2.50	13	1.35	7	1.49	9	1.43	8
Mexico and Central America.....	4.23	22	5.61	29	4.45	25	3.58	22	3.69	21
Caribbean.....	.63	3	.59	3	.40	2	.41	2	.64	4
Total Milds.....	8.91	47	12.59	65	9.60	53	7.21	43	7.47	43
Total World.....	19.19	100	19.39	100	1.815	100	16.56	100	17.42	100

1/ 60 kilograms bags of 132.276 pounds each.

Compiled from U.S. Bureau of Census data.

TABLE 10
AVERAGE MONTHLY WHOLESALE PRICES OF COFFEE IN THE UNITED STATES
(in cents per pound)

Month/Year	Ground Roast per lb., all packs	Ground Roast in 1 lb. cans	Soluble per 16 ozs.
January 1982	244.5	239.0	703.5
February	248.0	242.1	697.9
March	249.9	245.3	698.5
April	251.7	243.8	698.5
May	249.6	240.9	698.4
June	248.5	241.1	698.5
July	248.4	241.1	696.6
August	247.0	239.0	698.8
September	247.2	240.8	691.9
October	248.8	243.0	694.5
November	250.7	244.2	704.4
December	255.0	245.1	712.9
January 1983	253.9	245.1	724.7
February	254.4	244.6	731.5
March	255.7	248.2	736.0
April	252.8	243.2	740.0

SOURCE: Bureau of Labor Statistics, U.S. Department of Labor.

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