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COFFEE FCOF 1-63 March 1963

WORLD COFFEE CROP

ABOVE REQUIREMENTS

The Foreign Agricultural Service's fourth (March) estimate of the 1962-63 world coffee crop places total production at 65.2 million bags and exportable production at 51.7 million. This is a decline of 8.5 percent from the 1961-62 crop. Production will be down in North and South America, but up in Africa and Asia.

The 1962-63 crop will exceed world requirements by about 4 million bags. World trade should be at an alltime high, as imports in some of the European countries continue to increase. Stocks at the end of the year will be at a record level unless some of those on hand are destroyed.

Production

North America: North American coffee production for 1962-63 is estimated at a total of 9.98 million bags with 7.37 million exportable. This is about 5.5 percent below the 1961-62 crop, as this year's crop is lower in several areas.

Costa Rica's 1962-63 crop is not as large as expected earlier, as heavy rains during the latter part of 1962 reduced it. Areas suffering most were Turrialba, Juan Vinas, San Carlos, and San Isidro de El General. Weather conditions for the coming 1963-64 crop have been favorable.

This Circular contains more detailed information than the summary of similar title published in the monthly supplement issue of World Agricultural Production and Trade Statistical Report of March 1963.

Continent and country	Average : 1950/51- : 1954/55 :	1959-60	: : 1960 - 61	: : 1961 - 62	: 4th : estimate : 1962-63
North America:	1,000 bags <u>2</u> /	1,000 bags <u>2</u> /	: 1,000 : bags <u>2</u> /	: 1,000 : bags <u>2</u> /	: 1,000 : bags 2/
Costa Rica	439 542	905 800	1,165 700	1,085 800	1,050 700
Dominican Republic	455 ; 1,216 ; 1,129 ;	585 1,575 1,600	500 1,450 1,500	: 600 : 1,900 : 1,725	550 1,525 1,750
Haiti	642 212	650 350	. 425 275	725 365	625 400
Mexico Nicaragua Panama 3/	1,373 : 362 :	2,050 367 70	2,100 : 485 : 65	. 440 . 85	2,375 485 65
Other 4/ Total North America	470 6,840	475 9,427	385 9 , 050	10,563	450 9,975
South America:			<u>. </u>	:	:
Brazil Colombia Ecuador	18,964 : 6,330 : 347 :	44,000 8,000	7,700	35,000 7,800	27,000 7,700
PeruVenezuela	347 146 729	675 475 850	525	: 800 : 710 : 750	: 850 : 775 : 850
Other <u>5</u> /	26,571	70 54,070		91 45,151	37,287
Africa:					
Angola		1,800	2,750 -	2,800	3,100 300
Cameroon 7/	182 :	560 :	675 125	835 145	875 140
Congo (Leopoldville) Ethiopia Guinea		1,380 : 1,065 : 195 :	900 : 1,100 :	900 1,220 235	950 1,280 235
Ivory Coast	1,210 : 223 :	2,578 435	3,200 : 560 :	: 1,650 : 525 :	2,750 620
Malagasy Republic	634 :	825 600	930 400	800 400	850 200
Tanganyika	281 : 58 :	425 1 40	495 150	400 172	450
Uganda Other <u>9</u> /	754 : 213 :	1,950 393	446	1,900 331	371
Total Africa	5,920	12,451	13,838	12,313	14,448
Asia and Oceania:	387	800	1,000	750	900
IndonesiaYemen	985 : 70 :	1,500 90	1,800 : 90 :	1,500 : 90 :	1,600 90
Other 10/ Total Asia and Oceania	275 1,717	581 2,971	820 3,710	880 3,220	885 3,475
World total production	41,048	78,919	65,528	71,247	65,185

^{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 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 Ruandi-Urundi shown in Congo (Leopoldville). 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.

Continent and country :	Average 1950/51- 1954/55	1959-60	1960-61	: : 1961-62	: 4th : estimate : 1962-63
:	1,000 bags <u>2</u> /	1,000 bags <u>2</u> /	1,000 bags <u>2</u> /	1,000 bags 2/	1,000 bags <u>2</u> /
North America: :			:		
Costa Rica:	378		: 1,050	970	935
Cuba:	49 :		100		: 100
Dominican Republic:	372		375		
El Salvador	1,087		: 1,350	,	: 1,425
Guatemala	905	•	1,300	-,,-,	1,550
Haiti	443 : 167 :		275	,-,	425
Honduras	1.141		: 225 : 1.450		325
Nicaragua	313	: 1,550 : : 325 :	443	-,,,	: 1,500 : 440
Panana 3/	2+3		20	395 40	
Other 47	72	365	287	293	250
···					
Total North America	4,927	7,400	6,875	7,988	7,372
South America:		;			:
Brazil:	14,730	37,000	: 22,000 :	28,000	20,000
Colombia:	5,632	7,000	7,000		: 6,600
Ecuador:	308	475	500	600	: 650
Peru:	. 68 :	375	415	600	: 650
Venezuela:	488		: 425 :		450
Other <u>5</u> /	52	; <u>44</u>	: 40	40	: 61
Total South America	21,278	45,304	30,380	36,390	28,411
Africa:					
Angola	990		2,700	2,750	3,050
Burundi 6/:	-	-,,,,,	-	-,,,,-	295
Cameroon 7/	180	545	: 660 :	820	855
Central African Republic:	- :	95	120	140	: 135
Congo (Leopoldville):	595	1,365	850	850	900
Ethiopia:	544	905	935	1,050	: 1,100
Guinea:	110	: 180 :	: 190		220
Ivory Coast:	1,137	-1/2	3,150	1,600	2,700
Kenya:	214		545		: 600
Malagasy Republic	569		840		750
Ruanda-Urundi 8/	- :		390	: 3 90 :	-
Rwanda $\underline{6}$ /	- :		- :	- :	: 195
Tanganyika	274		485		440
Togo	57	138	148		175
Ugana	744	- // -	1,895	_,	-)-51
Other <u>9</u> /	211		406	299	
Total Africa	5,625	11,996	13,314	11,772	13,891
Asia and Oceania:					
India:	93	275	450		400
Indonesia	504 :	1,300			1,400
Yemen:	60		80		
Other <u>10</u> /	71 :	66	140	155	175
Total Asia and Oceania	728	1,721	2,270	1,835	2,055
World exportable production	32,558	66,421	52,839	57,985	51,729

^{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 Guiana, 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 Congo (Leopoldville). 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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El Salvador's 1962-63 crop is considerably below the very large one in 1961-62, with the change attributed to bad weather and the use of less fertilizer. Guatemala's crop will be at about the same level as for 1961-62.

This is a "down" year in the coffee cycle for <u>Haiti</u>. However, the 1962-63 production will be a better-than-usual crop for a "down" cycle year. Weather conditions during the growing and harvesting season were very favorable in <u>Honduras</u>, resulting in early maturity of the crop. Harvesting in Honduras began about a month earlier than normal, and quality has been reported as excellent.

Prospects for 1962-63 Mexican production are not as good as expected earlier. This is attributed mainly to unfavorable climatic conditions, as the trees in the producing areas of Puebla, Hidalgo, and San Luis Potosi were hard hit by frost. The diversification program of the Mexican Coffee Institute is continuing to progress. The total goal is reduction of coffee plantings from 300,000 hectares (741,300 acres) to 240,000 (593,040 acres) in five years or longer. Being planted are principally rubber, avocado, mango, and citrus. The program gives credit to coffee farmers for converting to other crops, except for coffee on low-producing lands.

Jamaica's 1962-63 crop is expected to show an increase over 1961-62. Parama's this year is lower, and growers have had difficulty with their marketing.

South America: The 1962-63 South American crop is estimated at 37.3 million bags, compared with a 1961-62 production of 45.2 million. Exportable production for 1962-63 is placed at 28.4 million bags.

The 1962-63 Brazilian output is estimated at 27 million bags with 20 million exportable. Production was considerably reduced by drought, and farmers have been holding their coffee longer than usual. Prospects for the 1963-64 crop are not good because of frosts in 1962 which hit much of the producing area in Parana.

Colombia's 1962-63 crop will be only slightly below the 1961-62 production. Weather conditions have been very favorable for harvesting. The crop in the Department of Antioquia has reportedly been of good quality, with better than average yield. The Department of Caldas also had a good crop. Insect and disease damage has been low this year.

New plantings coming into bearing will increase the crop in <u>Peru</u> this year. Future increases in the next few years will depend on availability of hand labor and credit. Over the longer period, production increases will depend considerably on construction of new roads into jungle areas. An insect known as "Stephanoderes hampei Ferr" has been identified in the Satipo zone. The Ministry of Agriculture and the Peruvian Coffee Committee are taking measures to prevent the possible spread of contamination.

The upward trend in <u>Ecuador's</u> coffee production is continuing. Small amounts are still shipped as contraband into Peru.

Venezuela's production has been rather stable in recent years, however, there is expected to be an increase this year. A pilot coffee project was initiated in the latter part of January 1963 in Tachira State. Plans call for the purchase of 3,000 kilograms (7,413 pounds) of improved coffee seed. Half of the seed will be donated to the Tachira Coffee Producers Association, who, in turn, offer the seed for sale to producers as seed or as coffee tree seedlings. The other half of the seed will be used for the development of 4.5 million seedlings in strategically located nurseries. These seedlings are to be permanently transplanted by July 15, 1963.

Exportable production estimates for 1962-63 for some of the other South American producing countries are as follows (in bags of 132.276 pounds): Bolivia - 20,000; British Guiana - 4,000; Paraguay - 30,000; Surinam - 7,000.

Africa: Coffee production for 1962-63 in Africa is estimated at an alltime high of 14.4 million bags, with 13.9 million exportable.

Angola is the leading African producer, and has a record crop this year. Drought at the end of 1961 caused a reduction in the crop for the Central African Republic. The <u>Ivory Coast</u> will show a substantial increase this year over the drought-reduced 1961-62 crop. Registrations through March 2, 1963 in the Ivory Coast totaled 2,283,333 bags.

Ethiopia will have a slight increase in production this year. This is a continuation of the upward trend, as more road construction makes the producing areas more accessible.

Good rains and new plantings coming into production in <u>Kenya</u> will result in a record crop. The Coffee Board of Kenya maintains a complete register of all planters, with the acreage of each. The production of each planter is recorded as of July 1 each year for the previous year. Planters with over 20 acres are asked at this time to make an estimate of their crop for that year, and a second estimate is made on January 1.

The 1962-63 Tanganyika crop will be somewhat above that of 1961-62. Uganda's 1962-63 crop will show an increase over the drought-reduced 1961-62 crop. The Coffee Marketing Board of Uganda will buy all dry processed coffee at fixed prices, with premiums for high grade and discounts for low grade.

Exportable production estimates for 1962-63 for some of the smaller producing countries of Africa are as follows: Cape Verde - 2,000; Comores Islands - 1,000; Dahomey - 40,000; Gabon - 19,000; Ghana - 43,000; Liberia - 24,000; Nigeria - 18,000; Republic of Congo - 11,000; Sao Tome and Principe - 6,000; Sierra Leone - 65,000; Spanish Guinea - 110,000.

Asia and Oceania: The 1962-63 crop for Asia and Oceania is expected to show a slight increase over 1961-62. However, it will be below the record 1960-61 crop.

<u>India's</u> 1962-63 crop is expected to show an increase this year, despite adverse weather in the coffee growing areas of South India. The high level of 1960-61, however, will not be reached.

Indonesia will have some increase in production this year, because of favorable prices to producers, and new areas coming into bearing in South Sumatra.

The Philippines reached a level of self-sufficiency in coffee for the first time, this year. In the future, small quantities may be available for export.

A notable increase has been taking place in Papua and New Guinea. The upward trend in production is expected to continue as more plantings are being made.

World Trade and Requirements

World trade in coffee, in calendar 1962, set a record of about 47 million bags. This represents an increase of about 6 percent over the previous high of 1961. The largest gain was in United States imports; however, increased imports into Europe also continued. Stocks in consuming countries were higher at the end of 1962 than at the beginning, therefore consumption did not show as much of a rise as trade.

The United States had in 1962 its highest import year. Gross imports amounted to 24.5 million bags, 9.3 percent above 1961, and 5.7 percent above the previous record of 23.2 million in 1959. Imports from Brazil accounted for 37 percent of the total, compared to 39 percent in 1961. Imports from Africa, in 1962, set a record of 5.1 million bags, 20.9 percent of all imports. Angola was the largest African supplier. Gross imports for the first six months of 1962 were 11.86 million bags, and for the last six months 12.63 million. The value of green coffee imports for calendar 1962 showed an increase over 1961. The 1962 imports were valued at \$988 million, compared with a 1961 value of \$961 million, and a 1960 value of \$1,003 million.

Green coffee stocks in the United States jumped from 2,815,000 bags at the beginning of the year to 3,964,000 bags at the end of the year. This buildup in inventories largely reflected anticipation of the late December dock strike of eastern and Gulf ports. Roastings for the year 1962 set a record of 22,677,000 bags, which was 1.7 percent more than for 1961. This was almost the same as the increase of 1961 over 1960. The green coffee used in manufacturing the soluble product was the highest on record, in 1962, at 4,103,000 bags. The percentage of coffee used in soluble manufacture in 1962 was 18.1 percent; compared with 18 percent in 1961, 18.1 percent in 1960, 17.3 percent in 1959.

Spot prices in New York for Santos 4's (Brazils) averaged 34.4 cents per pound in 1962. There was a decline of about 1/2 cent per pound during the year. The 1961 Santos 4's price averaged 36.3 cents, and for 1960 the average was 36.9 cents. Colombian Manizales prices averaged 41.1 cents in 1962, compared with 43.9 cents in 1961. Prices dropped about 3 cents per pound during calendar 1962. Ambriz #2AA prices averaged 21.53 cents per pound for 1962, compared to 19.69 cents for 1961. Prices for Robustas began strengthening in November 1962 and have further strengthened in early 1963.

Brazil's coffee exports for their 1962-63 marketing year (July-June) through February 1963 were 11,693,947 bags, while for this period of the previous year they were 12,489,047 bags. Exports to non-traditional markets amount to about one-half million bags per year, while some estimates of contraband shipments exceed this amount. It is estimated that Brazil burned or otherwise destroyed 6 million bags of low grade coffee during 1961-62. Domestic roasters are able to purchase green coffee from the Brazilian Coffee Institute for about one-fifth of the price paid to producers; therefore, coffee is subsidized to Brazilian consumers.

Colombia exported 6,561,000 bags of coffee in 1962, compared with 1961 exports of 5,662,517 bags. The 1962 exports were the second largest of record, being exceeded only by 1953 when exports totaled 6,632,336 bags. Approximately 66 percent of the 1962 exports went to the United States. The U. S. share of total Colombia exports has been declining in recent years, as there have been increased shipments to Europe and other countries. A budget of 1 million dollars has been set aside for advertising in the United States in 1963.

The long-term International Coffee Agreement, negotiated at the United Nations in the summer of 1962, is awaiting ratification by a sufficient number of countries to be put into effect. This producer-consumer agreement is an export-quota type of arrangement which would be effective through September 1967.

GREEN COFFEE: U. S. gross import requirements by country of origin (1 million bags of 132.276 pounds)

Area of origin	Aver 1951	_	196	0	196	1	196	2	Est. Jan.	
		(Per- cent)		(Per- cent)		(Per- cent)		(Per- cent)		(Per- cent)
Brazil	8.82:	45	9.26:	42	8.57:	39	9.09	37	4.40	38
Africa and Asia	1.55:	8	3.87:	18	4.79	21	5.45	22	2.50	22
Mild Coffees: Colombia	4.83:	25	4.26:	19	4.08:	18 :	4.33	18	1.95	17
Other South America	0.70:	3	1.08	5	0.97	4	1.14:	5	• 34:	3
Mexico and Central America	3.29:	17	3.16:	14	3.58:	16	3.91	16	2.08	18
Caribbean	0.47:	2	0.47:	2	0.34:	2	0.57:	2 :	0.23	2
Total Milds	9.29:	47	8.97:	40	8.97:	40	9.95	41	4.60	40
Total World	19.66:	100	22.10:	100	: :22.33:	100	24.49	100	11.50	100

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

Calendar year :	1958	1959	1960	1961	1962 <u>1</u> /
January	1,470,061	2,278,610 : 2,252,406 : 1,781,449 : 1,840,258 :	1,643,136:	2,234,714; 1,771,045; 1,719,310;	2,310,596 1,834,684 1,859,220
January - June:	10,022,865	11,245,589	10,760,097	11,436,209	11,860,642
July	2,052,425	2,162,982 : 3,044,343 : 1,472,339 : 1,623,384 :	2,031,009 : 1,962,691 : 2,066,741 :	1,864,476 : 1,934,063 : 1,604,276 :	: 2,073,522 : 2,075,289 : 2,281,222
July - December:	10,140,259	: 11,926,916	11,340,839	10,896,308	: 12,629,642

Fiscal year	1958-59	1959 - 60	1960-61	: 1961-62 :	1962-63
July - December January - June	: : 10,140,259 : : 11,245,589 :	: : 11,926,916 ; : 10,760,097 ;	11,340,839 11,436,209	: : 10,896,308 : 11,860,642	: 12,629,642 (11,500,000)
July - June					•

1/ Preliminary.

Source: United States Bureau of Census.

January - June 1963 Foreign Agriculture Service estimate.

GREEN COFFEE: U. S. estimated import requirements, annual 1960-63 (1 million bags of 132.276 pounds)

Calendar year: Semi-annual :	1960	1961	1962	: 1963
January - June: Total consumption Net stock change Net imports	- 0.4	11.2 - 0.1 11.1	11.4 / 0.2 11.6	11.4 - 0.1 11.3
July - December: Total consumption Net stock change Net imports	f <u>0.3</u>	11.1 - 0.3 10.8	11.4 / 1.0 12.4	-
Calendar year: Total consumption Net stock change Net imports	- 0.1	22.3 - 0.4 21.9	22.8 / 1.2 24.0	- - -

Fiscal year summary	1959-60	: : 1960-61	: : 1961-62 :	: : 1962-63
Total consumption	: / 0.4	: / 0.2	: - 0.1	: / 0.9

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.

GREEN COFFEE: United States imports 1958-1962

)	•	•	•	,
Continent and country	1958	1959	1960	1961 <u>1</u> /	1962 <u>2</u> /
	bags 3/	: bags <u>3</u> /	: bags <u>3</u> /	bags <u>3</u> /	bags <u>3</u> /
North America:	200 223	01.6.606	:	-(-,	001, 550
Costa Rica					
Cuba:	/-/				
Dominican Republic:	- ,				
El Salvador	1/ 1/				
Guatemala:	882,071	988,470			
Haiti	210,744				
Honduras:					
Mexico:	_, -, -, -=-				
Nicaragua:	1/ 1/				
Panama	8,183				
Other:	31,278		30,332	46,899	19,725
Total North America	4,227,525	3,730,461	3,628,297	3,916,183	4,478,164
:			•		
South America: :					
Brazil:	7,477,700	: 10,563,514			
Colombia:	4,245,530				
Ecuador:	361,514				
Peru:	244,891				
Venezuela:	532,232	401,629	: 344,642	: 343,976	271,315
Other:	21,124	: 28,187	. 75,055	43,109	35,145
Total South America	12,882,991	16,369,396	14,598,751	13,626,306	14,565,923
•			•		
Africa: :			_		
Angola:	699,410				
British East Africa:	7 66,266			: 1,246,232 :	
Cameroon:	11,199				
Congo (Leopoldville):			: 644,566	592,532	
Ethiopia:	457,912 :	267,273	: 581,739	679,191	660,583
Ivory Coast:	304,733			735,857	584,355
Malagasy Republic:	154,456 :		: 83,021		164,719
Other:	63,191 :	99,403	85,925	: 115,924 :	
Total Africa	2,969,832	3,030,298	3,824,398	4,579,088	5,111,104
•					
Asia and Oceania:					
India:	7,357 :	6,006		47,357	11,779
Indonesia:	20,531 :	13,216	19,113		
Other	20,531 : 54,888 :	23,128		23,344	20,710
Total Asia and Oceania	82,776	42,350	49,490	208,703	333,925
Other Countries:		-	-	2,237 :	1,168
Grand total	20,163,124	23,172,505	22,100,936	22,332,517	24,490,284

^{1/} Revised. 2/ Preliminary. 3/ 132.276 pounds each.

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

UNITED STATES DEPARTMENT OF AGRICULTURE

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