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COFFEE
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WORLD COFFEE PRODUCTION UP SLIGHTLY

Summary

The Foreign Agricultural Service now estimates the total world coffee harvest at 71.7 million bags,[1] of which approximately 52.9 million bags are expected to be available for export[2] after allowing for estimated domestic consumption in the producing countries. (This second estimate is up slightly from the first one, made in June.) Thus, it is anticipated that world production and consumption will be in approximate balance in 1971-72, following 5 consecutive years of deficit production.

Certain minor adjustments also have been made in the estimate for the 1970-71 coffee year. Total production is now forecast at 57 million bags, with exportable production estimated at about 38.9 million bags.

The greater part of the increase in the second estimate for 1971-72, compared with the earlier one, stems from upward revisions in the forecasts for Mexico and Central America. It appears that the coincidence of the "up" year in the production cycle and exceptionally favorable weather conditions in these countries thus far has greatly enhanced crop prospects. The harvest period in this area extends from about October to February.

1/ All bags in text are 60 kg. (132.276 lb.).
2/ Exportable production is total production less estimated domestic consumption.

COFFEE, GREEN: PRODUCTION IN SPECIFIED COUNTRIES, AVERAGE 1962-63/1966-67, ANNUAL 1967-68/1971-72 1/

REGION AND COUNTRY	AVERAGE 1962-63/1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/
NORTH AMERICA:						
COSTA RICA	1,043	1,350	1,260	1,400	1,250	1,330
CUBA	527	450	500	500	550	550
DOMINICAN REPUBLIC	611	635	540	640	675	625
EL SALVADOR	1,898	2,400	1,900	2,500	2,000	2,350
GUADELOUPE	7	5	5	1	1	1
GUATEMALA	1,808	1,850	1,740	1,750	1,840	2,000
HAITI	542	500	480	465	480	450
HONDURAS	411	480	450	550	570	600
JAMAICA AND DEP	24	21	17	20	20	22
MARTINIQUE	5	4	4	1	1	1
MEXICO	2,671	2,900	2,850	3,075	3,000	3,300
NICARAGUA	495	550	540	565	580	580
PANAMA	76	86	75	83	75	85
TRINIDAD-TOBAGO	61	72	65	43	69	80
US-HAWAII	55	39	36	28	31	30
US-PUERTO RICO	254	325	280	300	300	300
TOTAL	10,488	11,667	10,742	11,921	11,442	12,304
SOUTH AMERICA:						
BOLIVIA	65	150	160	165	105	105
BRAZIL	24,580	23,000	16,500	19,000	9,750	23,600
COLOMBIA	7,820	8,000	7,900	8,450	7,500	7,800
ECUADOR 3/	833	1,175	1,000	660	1,200	1,200
GUYANA	12	19	20	18	18	18
PARAGUAY	53	40	65	50	33	50
PERU	835	880	860	940	990	1,030
SURINAM	11	7	7	6	5	6
VENEZUELA	809	750	860	900	900	920
TOTAL	35,017	34,021	27,372	30,189	20,501	34,729
AFRICA:						
ANGOLA	3,017	3,400	3,100	3,300	3,300	3,400
BURUNDI	200	315	275	240	350	325
CAMEROON	939	1,100	1,100	1,200	1,150	1,250
CAPE VERDE ISLANDS	2	2	2	2	2	2
CENT AFRICAN REP	155	175	160	200	150	160
COMORO ISLANDS	3	3	3	3	3	3
CONGO-BRAZZAVILLE	14	10	20	15	15	15
CONGO-KINSHASA	1,005	1,000	1,000	1,100	1,200	1,250
DAHOMEY	28	15	18	15	15	15
ETHIOPIA	1,603	1,750	2,045	2,000	2,100	2,150
GABON	17	15	20	20	15	15
GHANA	56	94	83	95	75	85
GUINEA	164	170	180	200	200	200
IVORY COAST	3,565	4,500	3,400	4,600	4,000	4,000
KENYA	769	650	800	1,000	985	1,000
LIBERIA	58	58	65	75	95	75
MALAGASY REPUBLIC	915	1,100	900	830	950	850
NIGERIA	34	51	53	50	65	65
RWANDA	147	190	200	145	235	200
SAO TOME-PRINCIPE	6	6	6	4	4	4
SIERRA LEONE	90	80	95	90	125	100
SPANISH AFRICA NEC	125	145	125	120	120	120
TANZANIA	653	740	950	775	900	900
TOGO	184	175	280	230	225	225
UGANDA	2,669	2,700	3,335	3,350	3,000	3,050
TOTAL	16,419	18,444	18,215	19,659	19,279	19,459
ASIA:						
INDIA	1,181	1,050	1,300	1,150	1,800	1,325
INDONESIA	2,016	2,150	2,000	2,200	2,350	2,250
MALAYSIA	111	135	135	100	100	100
PHILIPPINES	679	700	735	815	840	840
PORTUGUESE TIMOR	38	48	55	50	55	50
VIETNAM SOUTH	57	55	55	50	50	50
YEMEN	77	60	70	60	60	60
TOTAL	4,159	4,198	4,350	4,425	5,255	4,675
OCEANIA:						
NEW HEBRIDES	4	4	4	3	3	3
NEW CALEDONIA	35	35	30	30	30	25
NEW GUINEA	118	243	355	408	470	490
TOTAL	157	282	389	441	503	518
WORLD TOTAL	66,240	68,612	61,068	66,635	56,980	71,685

1/ Coffee marketing year begins about July in some countries and in others about October. 2/ Of 60 kilograms each. 3/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1971 in that country is shown as production for the 1971-72 marketing year. In Ecuador, however, this is referred to as the 1970-71 crop.

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

Foreign Agricultural Service. 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.

COFFEE, GREEN EXPT: PRODUCTION IN SPECIFIED COUNTRIES, AVERAGE 1962-63/1966-67, ANNUAL 1967-68/1971-72 1/

REGION AND COUNTRY	AVERAGE 1962-63/1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/
NORTH AMERICA:						
COSTA RICA	917	1,210	1,115	1,250	1,095	1,170
CUBA	10	---	---	---	---	---
DOMINICAN REPUBLIC	455	465	365	450	480	425
EL SALVADOR	1,775	2,260	1,755	2,350	1,845	2,190
GUADELOUPE	2	3/	3/	3/	3/	3/
GUATEMALA	1,597	1,625	1,505	1,510	1,590	1,745
HAITI	374	320	295	260	275	240
HONDURAS	330	390	350	445	460	485
JAMAICA AND DEP	11	9	4	5	5	6
MARTINIQUE	---	---	---	---	---	---
MEXICO	1,561	1,500	1,400	1,575	1,480	1,735
NICARAGUA	444	490	495	495	500	495
PANAMA	21	24	11	18	9	15
TRINIDAD-TOBAGO	51	59	51	33	53	64
US-HAWAII	12	10	26	---	---	---
US-PUERTO RICO	35	---	---	---	---	---
TOTAL	7,594	8,362	7,372	8,391	7,792	8,570
SOUTH AMERICA:						
BOLIVIA	26	50	55	55	65	65
BRAZIL	17,280	14,745	8,000	10,250	1,500	14,850
COLOMBIA	6,710	6,700	6,570	7,080	6,090	6,350
ECUADOR 4/	650	975	795	450	980	975
GUYANA	3	1	2	2	2	2
PARAGUAY	43	29	40	25	13	30
PERU	648	670	645	720	760	795
SURINAM	6	2	3	3	2	3
VENEZUELA	294	180	270	285	265	270
TOTAL	25,660	23,352	16,380	18,870	9,677	23,340
AFRICA:						
ANGOLA	2,960	3,340	3,040	3,200	3,200	3,300
BURUNDI	195	310	270	235	345	320
CAMEROON	912	1,070	1,070	1,170	1,125	1,220
CAPE VERDE ISLANDS	2	2	2	1	1	1
CENT AFRICAN REP	150	170	155	195	145	155
COMORO ISLANDS	1	1	1	1	1	1
CONGO-BRAZZAVILLE	17	9	19	14	14	14
CONGO-KINSHASA	955	950	950	1,025	1,125	1,175
DAHOMEY	24	13	16	13	14	14
ETHIOPIA	1,251	1,380	1,420	1,375	1,450	1,490
GABON	18	13	18	18	14	14
GHANA	45	92	70	81	62	72
GUINEA	149	155	175	190	195	195
IVORY COAST	3,514	4,445	3,350	4,535	3,950	3,950
KENYA	749	630	780	980	965	975
LIBERIA	56	56	63	70	90	70
MALAGASY REPUBLIC	814	990	785	710	825	720
NIGERIA	36	49	43	30	45	45
RWANDA	142	180	190	135	230	195
SAO TOME-PRINCIPE	5	5	3	2	2	2
SIERRA LEONE	80	70	85	85	120	95
SPANISH AFRICA NEC	115	135	115	110	115	115
TANZANIA	638	725	935	760	880	880
TOGO	180	170	275	227	222	222
UGANDA	2,655	2,685	3,320	3,335	2,985	3,035
TOTAL	15,664	17,645	17,150	18,497	18,120	18,275
ASIA:						
INDIA	522	350	560	410	1,050	560
INDONESIA	1,694	1,650	1,500	1,500	1,650	1,535
MALAYSIA	---	---	---	---	---	---
PHILIPPINES	---	---	---	---	22	10
PORTUGUESE TIMOR	33	43	50	45	45	40
VIETNAM SOUTH	3/	3/	3/	3/	3/	3/
YEMEN	69	50	60	50	50	50
TOTAL	2,319	2,093	2,170	2,005	2,817	2,195
OCEANIA:						
NEW HEBRIDES	4	4	3	2	2	2
NEW CALEDONIA	30	30	20	20	20	15
NEW GUINEA	103	240	315	404	466	436
TOTAL	137	274	338	426	488	503
WORLD TOTAL	51,374	51,726	43,410	48,189	38,894	52,883

1/ Coffee marketing year begins about July in some countries and in others about October. Exportable production represents total harvested production minus estimated domestic consumption. 2/ Of 60 kilograms each. 3/ Negligible. 4/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1971 in that country is shown as production for the 1971-72 marketing year. In Ecuador, however, this is referred to as the 1970-71 crop.

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

Foreign Agricultural Service. 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.

The International Coffee Council concluded its annual meeting on Aug. 30, 1971, with the adoption of a global quota for the coffee year beginning Oct. 1, 1971, of 47 million bags. Provision was made for pro-rata adjustments, up or down, tied to the composite price level. In addition, the selectivity system to permit quota adjustments by types was retained, though with sharply lower price ranges than those in effect during the current (1970-71) coffee year. The overall spread between the floor for Robustas, the lowest-priced types, and the ceiling for Colombian Milds, the highest-priced, was reduced for the 1971-72 year, reflecting the relatively stronger position of Robustas in the world coffee market during the past year. Also in recognition of this was the fact that for the first time the price range for Robustas overlapped with that of Unwashed Arabicas (mainly Brazils).

Production

North America. Favorable weather conditions in most countries, the cumulative effects of improved technology and increased fertilization, and the fact that 1971-72 represents the high year in the biennial production cycle, are the major factors contributing to the record high level of production anticipated in the North American and Caribbean countries. In Central America, particularly, rainfall has been adequate but without the heavy, prolonged rains which have in the past led to fungus and other disease problems. Overall, North American production is up about 7 percent over last year.

The coming harvest in Costa Rica should be up about 6 percent compared with the 1970-71 crop, and the government's action to terminate the school year at an earlier date should ensure a larger labor supply for the harvest season.

It is now estimated that production in Nicaragua will at least equal that of last year. Nicaraguan production will probably begin to trend upward during the next few years as a result of increasing use of fertilizers and improved technology.

The combined effects of better insect and disease control, the coming into production of areas replanted with more productive varieties, and good weather point to a 1971-72 coffee harvest in Guatemala of about 2 million bags. This would be close to the record level of production achieved in 1965-66.

Estimates from El Salvador are not yet firm but it seems likely that the 1971-72 crop will be substantially larger than last year's, as in most of the Central American area.

Coffee production in Mexico in 1971-72 will probably be up about 10 percent over last year's frost-damaged crop, to about 3.3 million bags. Earlier fears of possible drought damage did not materialize.

South America. There have been no changes in the production estimates for the South American coffee producing countries since the first estimate by FAS in June. As noted at that time, good harvest prospects are the rule, though the major portion of the expected increase in production in 1971-72 stems from sharply increased output in Brazil.

With most of the 1971-72 crop in Brazil now harvested, it seems likely that the earlier forecast of 23.6 million bags will be confirmed. However, knowledgeable observers continue to estimate the crop in a range from 20 million to 26 million bags, so that subsequent revisions in the present estimates are not excluded. Unseasonal and persistent rains during the past few months have caused the fall of a significant amount of ripe coffee. Although most of this will be picked up from the ground, quality will suffer. Latest figures indicate that the coffee rust disease (*Hemileia vastatrix*) has now affected a total of about 3.5 million trees in the State of São Paulo. Although no outbreaks of rust have yet been reported from the State of Paraná, Brazilian Coffee Institute (IBC) officials are concerned that the disease may soon reach that area.

Another soluble coffee plant was inaugurated during the quarter, giving Brazil an installed capacity at this time of slightly more than 2 million bags per year (green bean equivalent). Three more projected plants which have received governmental approval will, when completed, increase capacity by an additional 700,000 bags of green coffee per year.

Information regarding coffee production in Colombia is still tentative, but taking into consideration that 1971-72 should be the "up" year in the production cycle, a figure of about 7.8 million bags seems reasonable.

Recent reports from Peru tend to confirm the earlier estimate for 1971-72 of slightly more than 1 million bags.

Africa. Minor adjustments in the 1970-71 estimates, based on more recent information, and some slight modifications in the estimates for the 1971-72 harvest now indicate that the forthcoming crop on the African continent will be about 1 percent larger than that of 1970-71. This is in line with the trend of recent years.

Ivory Coast production for 1971-72 is estimated at this time to be about the same as last year, i.e., 4 million bags, though estimates from different sources show more than the usual variation.

Based on more complete information, previous production estimates for Uganda have been revised upward for 1969-70; down somewhat for 1970-71; and slightly higher for 1971-72. The decline in 1970-71 is attributed to drought which also may affect the 1971-72 crop.

Estimates of coffee production in Kenya for both 1970-71 and 1971-72 have been increased in the light of recent information from that country. With losses from CBD (Coffee Berry Disease) greatly reduced in recent years, a new and higher level of production has been attained. One adverse consequence of this, however, is a new problem of storage capacity facing the industry, as well as the need to seek markets for Kenyan coffee in the nonquota area.

Asia and Oceania. The most significant change for any country in this geographic area is the substantial revision in the coffee production estimate for India, for the year 1970-71. Recent reports indicate that a combination of higher per-acre yields, particularly in newly planted areas, and exceptionally favorable weather conditions resulted in a record crop of about 1.8 million bags. The prospective 1971-72 harvest will be much less and is currently estimated at about 1.3 million bags.

It now appears that production in the Philippines has been somewhat higher during the past couple of years than previously was estimated. In 1970-71 production probably reached 840,000 bags, and a small quantity of coffee was exported. These were the first such exports in more than 10 years.

Trade

United States. During the first 6 months of 1971 imports of green coffee amounted to 10.7 million bags, up slightly from the 10.5 million bags imported in the same period of 1970.

Imports from Brazil amounted to only 23.4 percent of the total, reflecting a continuation of the downward trend in green coffee imports from that country. Other Latin American countries obtained a 38.1 percent share of the U.S. market. Shipments from Africa were 32.5 percent of the total, and countries in Asia and Oceania supplied 6 percent.

Soluble coffee imports into the United States increased during the first half of 1971 to 402,037 bags (green bean equivalent), up 25.6 percent over imports for the first 6 months of 1970. Brazil retained its position as No. 1 supplier, with shipments of 196,287 bags (green bean equivalent). The United Kingdom and Switzerland also were important suppliers, shipping approximately 39,000 bags each during the period.

In contrast to imports, U.S. roastings of green coffee during January-June declined to 9.9 million bags, compared to 10.5 million bags during the first 6 months of 1970. These figures include roastings for soluble use. As a result, inventories, which had declined sharply in the second half of 1970, increased from 2.6 million bags on Dec. 31, 1970, to 3.1 million bags as of June 30, 1971. Stocks continued to increase during the July-September quarter as importers sought to build reserves against the possibility of a dock strike. A dock strike at the East and Gulf Coast ports did take place on Oct. 1. The West Coast dock strike, which began on July 1, was still not settled at that time.

Europe. According to a trade report from Le Havre, European imports of green coffee in 1970 reached a new alltime high of slightly more than 27 million bags, up about 1 percent from 1969. It was Robustas, however, that fared best, increasing their sales from 7.1 million bags in 1969 to 7.6 million bags in 1970. Producers of Arabica, meanwhile, saw their share of the market decline.

For the first time, also, imports of soluble coffee processed in coffee growing countries increased significantly. Soluble imports amounted to over 500,000 bags (green bean equivalent) in 1970, twice the volume of 1969.

International Coffee Council Actions.

The annual meeting of the International Coffee Council (ICC) in London, scheduled for Aug. 16-27, 1971, was finally brought to a successful conclusion on Aug. 30, with the adoption of a global quota of 47 million bags for the coffee year 1971-72, commencing on Oct. 1. At only 47 million bags, the quota was substantially smaller than the final quota in effect for the current year--49.5 million bags--or the final quota for the 1969-70 coffee year, which was about 52 million bags. In fact, if it remains at the initial level throughout the coming year it would be the smallest quota since 1966-67.

Despite the tightness of this initial quota, it is believed that the provisions made for quota adjustments will ensure that sufficient quantities of coffee will be available to consuming countries. This is particularly true in view of the probable drawdown of large inventories accumulated in the United States in anticipation of a dock strike. Furthermore, the steady decline in U.S. consumption of coffee, which has characterized recent years, has apparently not yet been halted.

Should the price of coffee increase beyond levels established by the ICC, measures were agreed upon which would provide for pro rata and selectivity adjustments in the quotas on essentially the same basis as for 1970-71. The price ranges established, however, were considerably below those prevailing for the current coffee year. Three increases of 1 million bags each, to be distributed pro rata, are to take effect when, and if, the composite price exceeds 45 cents, 46.25 cents, and 47.50 cents per pound. The quota would be reduced, pro rata, by 1 million bags if the composite price falls to 42.75 cents per pound, with further reductions of 1.5 million bags each when, and if, the composite price reaches 42 cents and 41 cents per pound. In each instance the composite price must remain at or below the trigger price level over a period of 15 consecutive marketing days. The composite price on Sept. 8 was 43.59 cents per pound.

In addition to the possible changes noted above, the selectivity system, to permit quota adjustments by types, also was retained, though with sharply lower price ranges than those in effect during the current 1970-71 coffee year. The overall spread between the floor for Robustas and the ceiling for Colombian Milds was substantially reduced for the 1971-72 year, reflecting the relatively stronger position of Robustas in the world coffee market during the past year. Also, for the first time, the price range for Robustas overlapped with that of Unwashed Arabicas (mainly Brazils). Heretofore, there has been a spread between the ceiling for Robustas and the floor for Unwashed Arabicas.

GREEN COFFEE: U. S. gross imports for consumption, by months, 1967-71

Month	1967	1968	1969	1970	1971 1/
	Bags 2/	Bags 2/	Bags 2/	Bags 2/	Bags 2/
January	1,979,151	2,202,380	363,175	1,788,393	2,001,664
February	1,618,308	2,460,589	1,111,042	1,840,740	1,527,864
March	2,092,294	1,755,075	2,014,741	1,715,678	1,474,915
April	1,717,016	2,398,436	2,195,313	1,638,688	2,029,929
May	1,721,544	1,956,415	1,663,752	1,643,781	1,758,864
June	1,646,851	1,640,882	1,746,915	1,890,940	1,941,118
Jan.-June	10,775,164	12,413,777	9,094,938	10,518,220	10,734,354
July	1,748,253	2,481,072	1,714,315	1,549,915	(5/)
August	1,818,394	2,398,350	1,476,064	1,611,247	(5/)
September	1,598,623	2,321,955	1,778,440	1,354,545	(5/)
October	2,102,596	1,687,161	2,326,839	1,713,547	(5/)
November	1,844,717	2,132,254	2,167,091	1,596,844	(5/)
December	1,424,088	1,944,951	1,675,134	1,382,361	(5/)
July-Dec	10,536,671	12,965,743	11,137,883	9,208,459	(5/)
Calendar year total	21,311,835	25,379,520	20,232,821	19,726,679	(5/)
Fiscal year total 3/	21,143,367	22,950,448	22,060,681	21,656,103	19,942,813
ICO year 4/	21,345,120	24,986,555	19,828,123	21,202,991	(5/)

1/ Preliminary.
2/ 132.276 lb. each.
3/ Twelve months, ending June 30 of year shown.
4/ Twelve months, ending Sept. 30 of year shown. ICO is International Coffee Organization.
5/ Not available.

U. S. Bureau of Census

GREEN COFFEE: U. S. gross imports by country or area of origin

Area of origin	Average 1963-67		1969		1970		1970 Jan.-June		1971 1/ Jan.-June	
	Mil. bags 2/	Per-cent	Mil. bags 2/	Per-cent	Mil. bags 2/	Per-cent	Mil. bags 2/	Per-cent	Mil. bags 2/	Per-cent
Brazil	7.00	31	5.78	29	4.71	24	2.62	25	2.51	23
Africa and Asia	6.80	31	7.15	35	7.69	39	3.93	37	4.13	39
Mild coffees:										
Colombia	3.34	15	2.48	12	2.50	13	1.49	14	1.32	12
Other South America	1.20	5	1.16	6	1.41	7	.52	5	.61	6
Mexico and Central America	3.43	16	3.24	16	2.98	15	1.68	16	1.80	17
Caribbean	.49	2	.42	2	.44	2	.27	3	.36	3
Total milds	8.46	38	7.30	36	7.33	37	3.96	38	4.09	38
Total world	22.26	100	20.23	100	19.73	100	10.51	100	10.73	100

1/ Preliminary. 2/ 132.276 lb. or 60 kg.

U. S. Bureau of Census

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