

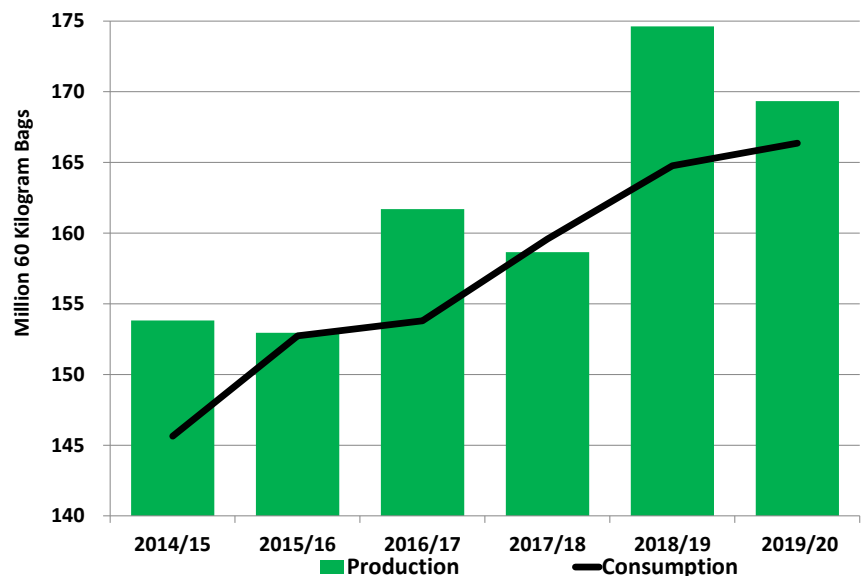


Coffee: World Markets and Trade

2019/20 Forecast Overview

World coffee production for 2019/20 is forecast 5.3 million bags (60 kilograms) lower than the previous year to 169.3 million, primarily due to Brazil's Arabica trees entering the off-year of the biennial production cycle. World exports are expected down 4.7 million bags to 115.4 million primarily due to lower shipments from Brazil and Honduras. With global consumption forecast at a record 166.4 million bags, ending inventories are expected to slip 400,000 bags to 35.0 million. Coffee prices, as measured by the International Coffee Organization (ICO) monthly composite price index, dropped to \$0.93 per pound in May 2019, the lowest since September 2006, but rebounded 15 percent to \$1.07 by November 2019 as supplies tighten. http://www.ico.org/new_historical.asp

Record World Consumption Forecast on Reduced Output



Brazil's Arabica output is forecast to drop 8.3 million bags to 39.9 million compared to the previous season since most trees are in the off-year of the biennial production cycle. Good weather conditions generally prevailed in most coffee growing regions during the blossoming and fruit-forming stages. Despite initial concerns related to July frost in southern and southeastern states, yields were not adversely impacted by this weather event. However, coffee quality as well as bean size were lower than average, because trees in many areas had multiple stages of maturity when the coffee cherries were harvested. The bulk of the Arabica harvest started in May and June. The Robusta harvest is forecast to continue expanding and to reach a record 18.1 million bags, up 1.5 million. Abundant rainfall aided fruit development in the major producing state of Espirito Santo, while good crop management practices supported a steady increase in the state of Rondonia. Most of the Robusta harvest started in April and May. However, the combined Arabica and Robusta harvest is forecast down 6.8 million bags to 58.0 million. With reduced supplies, bean exports are expected to drop 5.4 million bags to 32.0 million and ending stocks are forecast to decline 800,000 bags to 1.4 million. Consumption is expected to continue rising to a record 23.5 million bags.

Vietnam's production is forecast at a record 32.2 million bags, up 1.8 million from the previous year due to continued expansion of area planted as well as favorable weather that boosted yields. Between January and early April 2019, the main coffee regions in the Central Highlands experienced seasonally dry and sunny weather, and trees were irrigated. The rainy season was slightly delayed, but adequate during July

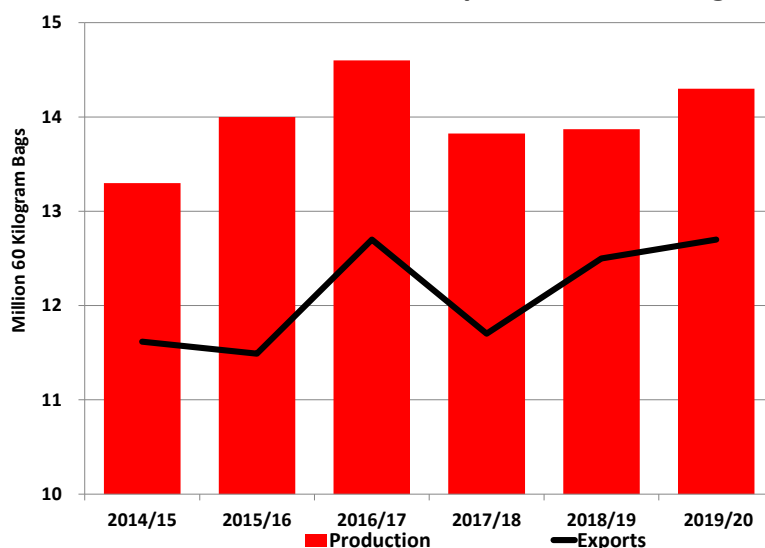
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and August to support good flowering and fruit-set. With black pepper prices falling over the last 3 years, farmers are no longer replacing coffee trees with pepper. However, some farmers have begun to plant durian, mango, avocado, and passion fruit trees in their coffee orchards. Bean exports are forecast 800,000 bags higher to 25.5 million, while ending stocks are seen more than doubling to 4.1 million bags as recent prices provide less incentive to sell.

Total output for **Central America** and **Mexico** is forecast down slightly by 400,000 bags to 19.1 million as some countries in the region struggle to rebound from the coffee rust outbreak that first lowered output in 2013/14. Gains in Mexico on favorable weather are expected to offset losses in Honduras, where farmers have reduced preventative measures to combat coffee rust due to low prices and limited ability to extend existing loans. El Salvador, and Panama are flat at 650,000 bags and 75,000 bags, respectively, as these countries continue to struggle with rust and output remains below their pre-rust level. Nicaragua is forecast 300,000 bags lower to 2.3 million as financial constraints are expected to lead to reduced inputs and yields. Guatemala is expected 200,000 bags lower to 3.6 million on reduced yields. Bean exports for the region are forecast to lose 800,000 bags to 15.5 million mainly due to lower exportable supplies in Honduras. Nearly half of the region’s exports are destined for the European Union, followed by about one-third to the United States.

Colombia’s production is forecast to rebound 400,000 bags from last year’s drought-related shortfall to reach 14.3 million on normal growing conditions. The National Federation of Coffee Growers of Colombia (FEDECAFE) estimates that since 2012, about half of the 940,000 hectares of coffee have been renovated, mostly with rust-resistant varieties. This effort has boosted yields nearly one-third to 18.8 bags per hectare and has lowered the average age of coffee trees from 15 to 7 years. FEDECAFE and the Colombian government renovated an estimate 82,000 hectares in 2018, with the goal of renovating 90,000 hectares annually to reach the production goal of 18 million bags in the coming years. Bean exports are seen up 200,000 bags to 12.7 million, while ending stocks are expected to dip slightly to 500,000 bags.

Colombia’s Production and Exports Forecast Higher



Indonesia’s production is forecast to gain a modest 100,000 bags to 10.7 million, with the gain split evenly between Arabica and Robusta output. Robusta production is expected to reach 9.5 million bags on favorable growing conditions in the lowland areas of Southern Sumatra and Java, where approximately 75 percent is grown. Despite heavy rainfall in West Java that delayed its Arabica harvest, output is expected up slightly. Although recent news reports suggest total output may jump significantly over the next 5 years, these claims have not been supported by a noticeable increase in planted area or by a renovation program to replace older trees with higher-yielding varieties, and fertilizer utilization has remained largely unchanged. Bean exports are forecast to rebound 1.4 million bags to 6.3 million, boosted by last year’s elevated ending stocks.

EU imports are forecast down 1.1 million bags to 48.0 million and account for over 40 percent of the world's coffee bean imports. Top suppliers include Brazil (29 percent), Vietnam (25 percent), Honduras (8 percent), and Colombia (6 percent). Ending stocks are expected down 400,000 bags to 14.0 million.

The **United States** imports the second-largest amount of coffee beans and is forecast 1.0 million bags lower to 26.2 million. Top suppliers include Brazil (24 percent), Colombia (22 percent), Vietnam (15 percent), and Guatemala (6 percent). Ending stocks are forecast 500,000 bags lower to 6.9 million but consumption is little changed following last year's gain.

Revised 2018/19

World **production** is 174.6 million bags, nearly unchanged from the June 2019 estimate.

World **bean exports** are raised 2.5 million bags to 120.1 million.

- Brazil is up 1.4 million bags to 37.4 million on higher-than-anticipated stocks drawdown.
- Cote d'Ivoire is raised 300,000 bags to 1.7 million on greater exportable supplies.

World **bean imports** are raised 2.0 million bags to 115.7 million.

- The United States is up 1.1 million bags to 27.2 million on higher consumption and stocks.
- Colombia is revised 400,000 bags higher to 1.1 million on stronger shipments from Peru and Honduras.

World **ending stocks** are reduced 900,000 bags to 35.4 million.

- Brazil is lowered 1.7 million bags to 2.2 million on higher shipments to the European Union and the United States.
- European Union is raised 600,000 bags to 14.4 million.
- The United States is up 700,000 bags to 7.4 million.

The next release of this publication will be on June 12, 2020.

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To download additional data tables, go to the Production, Supply and Distribution Database (PSD Online): (<http://apps.fas.usda.gov/psdonline/psdHome.aspx>), scroll down to Reports, and click the arrow next to Coffee.

FAS Reports and Databases:

Current *World Market and Trade* Reports:

<http://apps.fas.usda.gov/psdonline/psdDataPublications.aspx>

Archives *World Market and Trade* Reports:

<https://usda.library.cornell.edu/concern/publications/m900nt40f?locale=en>

Production, Supply and Distribution Database (PSD Online):

<http://apps.fas.usda.gov/psdonline/psdHome.aspx>

Global Agricultural Information Network (Agricultural Attaché Reports):

<https://gain.fas.usda.gov/#/>

Global Agricultural Trade System (U.S. Exports and Imports):

<http://apps.fas.usda.gov/gats/default.aspx>

Marketing Years for Producing Countries

April-March

Angola
Bolivia
Burundi
Ecuador
Indonesia
Madagascar
Papua New Guinea
Peru
Rwanda

July-June

Brazil
Cuba
Dominican Republic
Haiti
Philippines
Tanzania

October-September

Cameroon
Central African Republic
Colombia
Congo (Kinshasa)
Costa Rica
Cote d'Ivoire
El Salvador
Ethiopia
Ghana
Guatemala
Guinea
Honduras
India
Jamaica
Kenya
Laos
Liberia
Malawi
Malaysia
Mexico
Nicaragua
Nigeria
Panama
Sierra Leone
Thailand
Togo
Uganda
United States
Venezuela
Vietnam
Yemen

Non-producing countries are on an October-September marketing year.

Coffee Summary
Thousand 60-Kilogram Bags

	2015/16	2016/17	2017/18	2018/19	Jun 2019/20	Dec 2019/20
Arabica Production						
Brazil	36,100	45,600	38,500	48,200	41,000	39,900
Colombia	14,000	14,600	13,825	13,870	14,300	14,300
Ethiopia	6,510	6,943	7,055	7,250	7,350	7,350
Honduras	5,300	7,510	7,600	7,200	6,500	6,500
Peru	3,500	4,225	4,375	4,400	4,500	4,500
Mexico	2,125	3,100	3,800	3,600	4,350	4,350
Guatemala	3,125	3,400	3,600	3,700	3,500	3,500
China	1,900	1,800	1,925	2,200	2,300	2,300
Nicaragua	2,100	2,600	2,700	2,600	2,300	2,300
Costa Rica	1,625	1,300	1,525	1,300	1,375	1,375
Indonesia	1,500	1,300	1,000	1,200	1,250	1,250
India	1,725	1,583	1,583	1,470	1,485	1,250
Vietnam	1,100	1,100	1,026	1,050	1,400	1,120
Papua New Guinea	700	1,065	760	825	850	850
Kenya	750	815	715	775	650	775
Other	4,280	4,585	4,056	4,243	4,170	4,145
Total	86,340	101,526	94,045	103,883	97,280	95,765
Robusta Production						
Vietnam	27,830	25,600	28,274	29,350	29,100	31,105
Brazil	13,300	10,500	12,400	16,600	18,300	18,100
Indonesia	10,600	9,300	9,400	9,400	9,450	9,450
India	4,075	3,617	3,683	3,700	4,000	3,910
Uganda	2,900	4,000	3,600	4,000	3,500	3,500
Malaysia	2,200	2,100	2,100	2,100	2,000	2,000
Cote d'Ivoire	1,600	1,090	1,250	2,000	1,800	1,800
Thailand	700	800	700	650	700	700
Tanzania	500	500	550	600	600	600
Laos	475	410	450	460	475	475
Other	2,419	2,261	2,179	1,897	1,925	1,925
Total	66,599	60,178	64,586	70,757	71,850	73,565
Production						
Brazil	49,400	56,100	50,900	64,800	59,300	58,000
Vietnam	28,930	26,700	29,300	30,400	30,500	32,225
Colombia	14,000	14,600	13,825	13,870	14,300	14,300
Indonesia	12,100	10,600	10,400	10,600	10,700	10,700
Ethiopia	6,510	6,943	7,055	7,250	7,350	7,350
Honduras	5,300	7,510	7,600	7,200	6,500	6,500
India	5,800	5,200	5,266	5,170	5,485	5,160
Mexico	2,300	3,300	4,000	3,800	4,550	4,550
Peru	3,500	4,225	4,375	4,400	4,500	4,500
Uganda	3,650	5,200	4,350	4,800	4,250	4,250
Guatemala	3,295	3,570	3,780	3,800	3,600	3,600
Nicaragua	2,125	2,625	2,730	2,640	2,340	2,340
China	1,900	1,800	1,925	2,200	2,300	2,300
Malaysia	2,200	2,100	2,100	2,100	2,000	2,000
Cote d'Ivoire	1,600	1,090	1,250	2,000	1,800	1,800
Costa Rica	1,625	1,300	1,525	1,300	1,375	1,375
Tanzania	1,100	1,050	1,150	1,300	1,250	1,250
Papua New Guinea	750	1,115	810	875	900	900
Kenya	750	815	715	775	650	775
Thailand	700	800	700	650	700	700
El Salvador	560	600	660	650	650	650
Venezuela	500	530	575	585	600	600
Laos	475	410	450	460	475	475
Philippines	425	475	450	425	450	450
Cameroon	625	500	425	350	350	350
Other	2,819	2,546	2,315	2,240	2,255	2,230
Total	152,939	161,704	158,631	174,640	169,130	169,330

Coffee marketing year for producer countries begins either in October (Colombia), April (Indonesia) or July (Brazil), as examples. Coffee marketing year for non-producer countries begins in October. To access a complete dataset for each country, please visit: <http://apps.fas.usda.gov/psdonline/psdQuery.aspx>

Coffee Summary, Continued

Thousand 60-Kilogram Bags

	2015/16	2016/17	2017/18	2018/19	Jun 2019/20	Dec 2019/20
Bean Exports						
Brazil	31,870	29,325	26,936	37,376	33,500	32,000
Vietnam	26,950	25,000	25,250	24,700	25,500	25,500
Colombia	11,490	12,700	11,700	12,500	12,300	12,700
Indonesia	7,938	7,309	6,940	4,907	6,500	6,300
Honduras	5,000	7,175	7,225	6,910	6,200	6,200
Peru	3,300	4,025	4,185	4,300	4,300	4,300
Ethiopia	3,405	3,853	3,893	3,980	4,000	4,000
Uganda	3,500	4,600	4,500	4,600	4,000	4,000
India	4,063	4,273	4,127	4,000	3,750	3,830
Guatemala	3,040	3,325	3,460	3,550	3,300	3,300
Other	12,414	12,216	12,917	13,271	13,471	13,251
Total	112,970	113,801	111,133	120,094	116,821	115,381
Roast and Ground Exports						
European Union	1,260	1,395	1,450	1,340	1,500	1,500
Switzerland	1,040	1,150	1,225	1,410	1,300	1,300
Vietnam	550	550	550	550	600	550
Mexico	200	155	180	180	190	190
Colombia	100	155	175	300	200	100
Indonesia	48	65	70	43	45	55
Panama	45	30	30	25	25	25
Brazil	28	31	20	23	20	20
China	56	180	30	25	20	20
Nicaragua	10	10	10	15	15	15
Other	80	16	10	15	16	16
Total	3,417	3,737	3,750	3,926	3,931	3,791
Soluble Exports						
Brazil	3,645	3,725	3,494	4,023	3,300	3,300
Malaysia	2,975	2,940	3,075	3,125	3,100	3,100
Vietnam	2,000	2,000	2,100	2,150	2,200	2,200
India	1,625	1,880	2,017	1,836	1,800	1,870
Indonesia	1,910	800	1,000	1,200	1,300	1,050
Mexico	840	970	1,000	1,000	1,000	1,000
Colombia	800	900	850	900	900	900
European Union	520	510	680	780	700	700
Thailand	960	850	650	530	600	600
China	632	605	490	350	400	400
Other	1,094	829	907	735	725	725
Total	17,001	16,009	16,263	16,629	16,025	15,845
Exports						
Brazil	35,543	33,081	30,450	41,422	36,820	35,320
Vietnam	29,500	27,550	27,900	27,400	28,300	28,250
Colombia	12,390	13,755	12,725	13,700	13,400	13,700
Indonesia	9,896	8,174	8,010	6,150	7,845	7,405
Honduras	5,000	7,175	7,225	6,910	6,200	6,200
India	5,693	6,158	6,148	5,840	5,555	5,705
Peru	3,300	4,025	4,185	4,300	4,300	4,300
Ethiopia	3,405	3,853	3,893	3,980	4,000	4,000
Uganda	3,500	4,600	4,500	4,600	4,000	4,000
Mexico	2,340	2,865	3,220	2,905	3,340	3,340
Other	22,821	22,311	22,890	23,442	23,017	22,797
Total	133,388	133,547	131,146	140,649	136,777	135,017

Coffee marketing year for producer countries begins either in October (Colombia), April (Indonesia) or July (Brazil), as examples. Coffee marketing year for non-producer countries begins in October. Roasted coffee was converted to green bean equivalent by multiplying the net weight of roasted coffee by 1.19. Soluble coffee was converted to green bean equivalent by multiplying the net weight of soluble coffee by 2.6. For each non-producing country, the trade balance between imports and exports is used in order to avoid double-counting for these figures.

Coffee Summary, Continued

Thousand 60-Kilogram Bags

	2015/16	2016/17	2017/18	2018/19	Jun 2019/20	Dec 2019/20
Bean Imports						
European Union	46,150	46,050	47,430	49,075	48,500	48,000
United States	25,100	25,810	24,450	27,150	26,500	26,200
Japan	7,280	7,000	6,500	7,370	7,100	7,000
Canada	2,800	3,030	3,035	3,135	3,100	3,000
Russia	2,430	2,710	2,860	3,070	2,800	2,900
Switzerland	2,460	2,600	2,750	2,810	2,800	2,800
Korea, South	2,280	2,500	2,400	2,480	2,500	2,450
Algeria	2,275	2,165	2,270	2,300	2,400	2,400
Malaysia	1,440	1,510	1,575	1,825	1,700	1,700
Australia	1,425	1,415	1,540	1,610	1,650	1,600
Other	13,428	12,480	14,228	14,912	14,550	14,405
Total	107,068	107,270	109,038	115,737	113,600	112,455
Roast and Ground Imports						
Vietnam	20	340	400	500	550	500
Russia	315	325	390	475	475	475
Ukraine	250	260	280	360	325	325
Canada	375	220	285	350	250	300
China	460	945	385	250	400	300
Korea, South	185	225	245	290	300	300
United States	0	160	115	370	200	200
Australia	155	190	160	165	165	165
Norway	130	125	140	135	130	130
Taiwan	95	105	120	110	110	110
Other	398	452	470	470	483	480
Total	2,383	3,347	2,990	3,475	3,388	3,285
Soluble Imports						
Philippines	5,500	6,000	5,500	5,500	5,500	5,500
Canada	1,370	1,300	1,430	1,400	1,550	1,550
China	1,615	1,800	1,585	1,525	1,500	1,500
Russia	1,650	1,705	1,215	1,400	1,300	1,300
Japan	810	925	1,140	860	1,000	1,000
Indonesia	644	391	828	983	900	850
Iran	210	300	560	300	400	400
Ukraine	470	440	425	365	500	400
United States	85	500	210	500	250	400
South Africa	250	265	315	360	300	325
Other	2,412	2,269	2,638	2,751	2,575	2,640
Total	15,016	15,895	15,846	15,944	15,775	15,865
Imports						
European Union	46,150	46,050	47,430	49,075	48,500	48,000
United States	25,185	26,470	24,775	28,020	26,950	26,800
Japan	8,195	8,030	7,720	8,320	8,200	8,100
Philippines	6,185	6,420	6,100	6,100	6,150	6,100
Canada	4,545	4,550	4,750	4,885	4,900	4,850
Russia	4,395	4,740	4,465	4,945	4,575	4,675
Switzerland	2,460	2,600	2,750	2,810	2,800	2,800
Korea, South	2,465	2,725	2,645	2,770	2,800	2,750
China	2,938	3,552	2,785	2,625	2,900	2,650
Algeria	2,320	2,205	2,300	2,340	2,440	2,440
Other	19,629	19,170	22,154	23,266	22,548	22,440
Total	124,467	126,512	127,874	135,156	132,763	131,605

Coffee marketing year for producer countries begins either in October (Colombia), April (Indonesia) or July (Brazil), as examples. Coffee marketing year for non-producer countries begins in October. Roasted coffee was converted to green bean equivalent by multiplying the net weight of roasted coffee by 1.19. Soluble coffee was converted to green bean equivalent by multiplying the net weight of soluble coffee by 2.6. For each non-producing country, the trade balance between imports and exports is used in order to avoid double-counting for these figures.

Coffee Summary, Continued

Thousand 60-Kilogram Bags

	2015/16	2016/17	2017/18	2018/19	Jun 2019/20	Dec 2019/20
Domestic Consumption						
European Union	44,495	42,345	45,700	46,055	47,000	46,200
United States	25,083	25,512	25,557	27,140	26,785	27,287
Brazil	20,855	21,625	22,420	23,200	23,530	23,530
Japan	8,060	8,210	8,231	7,897	8,300	8,100
Philippines	6,210	6,995	6,550	6,125	6,600	6,550
Indonesia	3,175	3,203	3,560	4,300	4,900	4,900
Canada	4,545	4,550	4,750	4,885	4,900	4,850
Russia	4,395	4,740	4,465	4,945	4,575	4,675
Ethiopia	3,110	3,100	3,150	3,270	3,350	3,350
China	2,833	3,218	3,085	3,200	3,250	3,300
Vietnam	2,630	2,770	2,880	2,940	3,400	3,000
Korea, South	2,465	2,725	2,645	2,770	2,800	2,750
Mexico	2,325	2,057	2,295	2,655	2,705	2,705
Algeria	2,320	2,205	2,300	2,340	2,440	2,440
Colombia	1,415	1,450	1,650	1,950	2,050	2,000
Australia	1,785	1,730	1,900	2,040	1,965	1,965
Switzerland	1,420	1,450	1,525	1,400	1,500	1,500
Venezuela	1,151	1,133	1,217	1,214	1,197	1,197
India	1,250	1,200	1,215	1,250	1,270	1,180
Ukraine	970	960	1,105	1,145	1,300	1,175
Turkey	710	960	875	1,175	1,025	1,075
Egypt	525	630	800	815	850	850
Morocco	670	660	825	845	1,220	820
Serbia	715	605	725	800	800	800
Norway	785	805	740	800	775	775
Other	8,832	8,969	9,415	9,606	9,432	9,387
Total	152,729	153,807	159,580	164,762	167,919	166,361
Ending Stocks						
European Union	12,100	13,900	13,500	14,400	13,100	14,000
United States	6,199	7,190	6,440	7,352	6,900	6,900
Vietnam	3,803	1,183	763	1,983	2,143	4,118
Japan	3,485	3,305	2,794	3,217	2,900	3,217
Indonesia	46	12	593	2,419	1,589	1,979
Brazil	2,372	3,828	1,919	2,164	2,879	1,381
Philippines	500	400	400	800	800	800
Colombia	1,131	886	1,111	567	525	512
Tanzania	250	220	290	310	280	280
China	200	500	200	225	255	255
Other	4,307	3,831	3,024	1,982	2,174	1,534
Total	34,393	35,255	31,034	35,419	33,545	34,976

Coffee marketing year for producer countries begins either in October (Colombia), April (Indonesia) or July (Brazil), as examples.
Coffee marketing year for non-producer countries begins in October.