



Voluntary Report - public distribution

Date: 11/16/2001

GAIN Report #IN1070

## **India**

## **Coffee**

## **Update - November**

## **2001**

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### **Report Highlights:**

**India's 2001/02 coffee production is estimated at 5,000 million bags, little changed from last year's level. In recent years, Russia has emerged as the largest market for Indian soluble coffee.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Unscheduled Report  
New Delhi [IN1], IN

India's 2001/02 coffee production is estimated at 5,000 million bags (60 kg), little changed from the 2000/01 level, but 5 percent below the post-blossom forecast and 8 percent below the pre-blossom (budwood) forecast. The decline is likely to be confined to robusta. Inadequate rainfall in some growing regions, heavy downpours in others, and reduced input applications in response to low prices are chiefly responsible for the downward revision. The impact of prevailing low coffee prices may be pronounced in the next few years as farmers curtail fertilizer and pesticide use and neglect sound cultural practices. There is also the likelihood of some Kerala growers reverting to cardamom. A major shift to other crops is, however, unlikely given the capital intensive nature of coffee production.

Domestic coffee consumption continues to remain sluggish, with consumption mostly confined to the southern states of Tamil Nadu, Karnataka, and Andhra Pradesh. The depressed farm prices for coffee have not resulted in lower retail prices, which could help stimulate consumption. At the same time, increased competition from tea, soft drinks and, most recently, bottled water have eroded coffee's market share. The only positive development has been the proliferation of modern espresso coffee cafes in major cities, which are becoming popular among high income consumers, especially affluent young people.

India's Jan-Aug (2001) exports were 182, 217 tons, compared with 216,837 for the same period of 2000. CY 2001 exports are projected at 200,000 tons compared with 253,524 in CY 2000. On a marketing year (Oct-Sep) basis, 2000/01 exports are estimated at 215,000 tons, compared with 257,618 metric tons in 1999/00. Italy, Russia, Germany, Belgium and Spain are the major markets for Indian coffee, with Russia emerging as the largest market for Indian soluble coffee.

Table 1: Commodity, Coffee, Green, PSD Table

PSD Table							
Country:	India						
Commodity:	Coffee, Green						
		2000		2001		2002	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		10/1999		10/2000		10/2001	(MONTH/YEAR)
Area Planted	332	340	335	347	335	345	(1000 HA)
Area Harvested	305	308	310	314	310	310	(1000 HA)
Bearing Trees	525	525	535	535	535	535	(1000 TREES)
Non-Bearing Trees	70	70	65	65	65	65	(1000 TREES)
TOTAL Tree Population	595	595	600	600	600	600	(1000 TREES)
Beginning Stocks	200	200	20	20	140	465	(1000 60 KG BAGS)
Arabica Production	1985	1985	1740	1740	1975	2000	(1000 60 KG BAGS)
Robusta Production	2885	2885	3280	3280	3450	3000	(1000 60 KG BAGS)
Other Production	0	0	0	0	0	0	(1000 60 KG BAGS)
TOTAL Production	4870	4870	5020	5020	5425	5000	(1000 60 KG BAGS)
Bean Imports	0	0	0	0	0	0	(1000 60 KG BAGS)
Roast & Ground Imports	0	0	0	0	0	0	(1000 60 KG BAGS)
Soluble Imports	0	0	0	0	0	0	(1000 60 KG BAGS)
TOTAL Imports	0	0	0	0	0	0	(1000 60 KG BAGS)
TOTAL SUPPLY	5070	5070	5040	5040	5565	5465	(1000 60 KG BAGS)
Bean Exports	3570	3570	3350	2930	3700	2700	(1000 60 KG BAGS)
Roast & Ground Exports	0	0	0	0	0	0	(1000 60 KG BAGS)
Soluble Exports	680	680	650	670	700	700	(1000 60 KG BAGS)
TOTAL Exports	4250	4250	4000	3600	4400	3400	(1000 60 KG BAGS)
Rst,Ground Dom. Consum	700	700	775	825	800	850	(1000 60 KG BAGS)

Soluble Dom. Consum.	100	100	125	150	150	175	(1000 60 KG BAGS)
TOTAL Dom. Consumption	800	800	900	975	950	1025	(1000 60 KG BAGS)
Ending Stocks	20	20	140	465	215	1040	(1000 60 KG BAGS)
TOTAL DISTRIBUTION	5070	5070	5040	5040	5565	5465	(1000 60 KG BAGS)

**Product X conversion factor = green bean equivalent**

<b>Product</b>	<b>conversion factor</b>
soluble coffee	2.6

**Table 2: Commodity, Coffee, Green, Export Trade Matrix**

Export Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	Jan-Dec		
Exports for	2000	*	2001
U.S.	22,534	U.S.	9,188
Others		Others	
Russian Federation	42,447	Italy	31,526
Italy	39,272	Germany	27,207
Germany	31,804	Russian Fed.	25,864
Belgium	17,285	Belgium	15,069
Spain	15,470	Spain	13,032
Slovenia	6,834	Slovenia	8,946
Netherlands	6,762	Greece	4,527
Greece	6,502	Switzerland	3,287
Poland	5,364	Canada	2,957
Hungary	4,210	Israel	2,895
Total for Others	175,950		135,310
Others not listed	55,040		37,719
Grand Total	253,524		182,217

\* 2001 - Provisional data from 01/01/2001 to 08/31/01

**Table 3: Commodity, Coffee, Green, Price table**

Prices Table			
Country:			
Commodity:	Plantation A		
Year:	2000		
Prices in (currency)	rupees	per (uom)	50 kg
Year	2000	2001	% Change
Jan	4594	2951	-35.8%
Feb	4210	2837	-32.6%
Mar	4057	2770	-31.7%
Apr	4096	2823	-31.1%
May	4093	3034	-25.9%
Jun	4011	3076	-23.3%
Jul	4181	2928	-30.0%
Aug	3981	2711	-31.9%
Sep	4033	NA	NA
Oct	4037	NA	NA
Nov	3712	NA	NA
Dec	3021	NA	NA
Exchange Rate	48	(Local currency/U S \$)	
Date of Quote	11/16/2001	(MM/DD/ YY)	