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Report Highlights:

Brazil's total coffee production for marketing year 2024/25 (July-June) is forecast at 69.9 million bags (60 kilograms per bag), green bean equivalent, a 5.4 percent increase over the previous crop year. Arabica production is expected to reach 48.2 million bags and robusta/conilon production is forecast at 21.7 million bags. Both forecasts represent increases over the 2023/24 season. Higher demand for Brazilian coffee, following the decline in production of other important coffee-producing countries, has also led to an increase in coffee exports. Post forecasts total coffee exports for MY 2024/25 (July-June) at 46.65 million 60-kg bags, green bean equivalent, up 2.4 percent in relation to the 2023/24 estimate.

COFFEE
Production, Supply, and Distribution

Table 1
Production, Supply, and Distribution of Coffee

Coffee, Green	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 60 Kg Bags)	540	540	4620	4620	0	2885
Arabica Production (1000 60 Kg Bags)	39800	39800	44900	44900	0	48200
Robusta Production (1000 60 Kg Bags)	22800	22800	21400	21400	0	21700
Other Production (1000 60 Kg Bags)	0	0	0	0	0	0
Total Production (1000 60 Kg Bags)	62600	62600	66300	66300	0	69900
Bean Imports (1000 60 Kg Bags)	0	0	0	0	0	0
Roast & Ground Imports (1000 60 Kg Bags)	75	75	75	75	0	75
Soluble Imports (1000 60 Kg Bags)	0	0	0	0	0	0
Total Imports (1000 60 Kg Bags)	75	75	75	75	0	75
Total Supply (1000 60 Kg Bags)	63215	63215	70995	70995	0	72860
Bean Exports (1000 60 Kg Bags)	32200	32200	39500	41500	0	42500
Rst-Grnd Exp. (1000 60 Kg Bags)	45	45	50	50	0	51
Soluble Exports (1000 60 Kg Bags)	3900	3900	4300	4000	0	4100
Total Exports (1000 60 Kg Bags)	36145	36145	43850	45550	0	46651
Rst,Ground Dom. Consum (1000 60 Kg Bags)	21500	21500	21600	21600	0	21700
Soluble Dom. Cons. (1000 60 Kg Bags)	950	950	960	960	0	970
Domestic Consumption (1000 60 Kg Bags)	22450	22450	22560	22560	0	22670
Ending Stocks (1000 60 Kg Bags)	4620	4620	4585	2885	0	3539
Total Distribution (1000 60 Kg Bags)	63215	63215	70995	70995	0	72860
(1000 HA), (MILLION TREES), (1000 60 KG BAGS)						

Brazil’s production of robusta/conilon has filled a gap during the 2023/24 harvest left by major producers such as Vietnam, Colombia, and Indonesia, which have suffered from irregular weather conditions. The strong demand for Brazilian coffee is expected to continue in 2024/25. As a result, Brazil significantly expanded its export of robusta coffee in 2023 and has maintained an accelerated pace in the first four months of 2024.

In the early stages of the 2024/25 coffee cycle, lower-than-usual rainfall and severe heat from October to December in key coffee-growing regions of Brazil have reduced the development of flowers and fruits, leading to a reduction in the initial yields and production forecasts. However, Brazilian crops have since experienced optimal weather in the main regions of Minas Gerais and Espírito Santo, the main producing states. This has once again raised expectations for a favorable harvest, albeit lower than initially estimated.

Coffee Production

Post forecasts the total Brazilian coffee production for marketing year (MY) 2024/25 (July-June) at 69.9 million bags (60 kilograms per bag), green bean equivalent, a 5.4 percent increase (3.3 million bags) over the revised figure for the previous crop year.

Arabica production is expected to reach 48.2 million bags, a 7.3 percent increase over the previous season. The heat waves recorded at the end of 2023 resulted in a high rate of drops in pellets. However, the rainier weather in February provided, in general, ideal conditions for the final development of the trees and for the treatment of the coffee crops, contributing to the satisfactory filling of beans. Robusta/conilon production is forecast at 21.7 million bags. This estimate is 1.4 percent higher than the estimate for the 2023/24 harvest.

Brazil's National Supply Company (CONAB) forecasts that the 2024 coffee harvest will reach 58.8 million bags, 6.8 percent higher than the amount harvested in 2023. Almost 80 percent of the harvested area in the country is dedicated to arabica coffee, which should reach 42.11 million bags. Robusta/conilon coffee is expected to reduce in area, but high yields have CONAB estimating production at 16.7 million bags. The Brazilian Institute for Geography and Statistics (IBGE) forecasts the 2024 coffee harvest at 60.2 million bags, an increase of 5.6 percent in relation to the previous year. Arabica coffee was estimated at 41.2 million bags, up 4.5 percent from 2023, and robusta/conilon should reach 18.9 million bags, an increase of 8.1 percent from the previous year. CONAB and IBGE use different methodologies to forecast coffee production and have consistently shown lower estimates than Post.

Harvest Outlook

Coffee harvesting began in April at a slow pace in some regions of Brazil and is expected to peak in June and July, concluding by September. Initial reports from producers consulted by Post indicate low yields and small beans, primarily due to the rains that affected crop development at the end of 2023. However, this result is typically anticipated with earlier harvested trees, and an increase in yield and in the quality of the fruits should improve as harvesting progresses. Minas Gerais is the country's leading coffee producer, followed by Espírito Santo, São Paulo, Bahia, and Rondônia.

Table 2
Brazilian Coffee Production by State (Million 60-kg bags)

State/Variety	MY 2020/21	MY 2021/22	MY 2022/23	MY 2023/24	MY 2024/25
Minas Gerais	**34.8**	**24.5**	**27.3**	**33.1**	**35.7**
Southwest	19.7	13.0	14.4	18.0	20.0
Central-western	6.3	5.0	5.0	7.4	6.8
Southeast	8.8	6.5	7.9	7.7	8.9
Espirito Santo	**19.1**	**19.4**	**21.0**	**18.0**	**18.4**
Arabica	4.8	3.7	4.4	3.0	3.2
Robusta	14.3	15.7	16.6	15.0	15.2
Sao Paulo	**6.4**	**4.6**	**4.8**	**5.6**	**6.0**
Parana	**1.1**	**1.0**	**0.7**	**0.9**	**0.9**
Others	**8.5**	**8.6**	**8.8**	**8.7**	**8.9**
Arabica	2.6	2.6	2.6	2.3	2.4
Robusta	5.9	6.0	6.2	6.4	6.5
Total	**69.9**	**58.1**	**62.6**	**66.3**	**69.9**
Arabica	49.7	36.4	39.8	44.9	48.2
Robusta	20.2	21.7	22.8	21.4	21.7

Data Source: *USDA/Brasilia Office of Agricultural Affairs (OAA); Graph Post Brasilia*

The likely arrival of the La Niña phenomenon towards the end of the second quarter is causing concern among producers consulted by Post, with warnings about possible climate risks that could greatly impact coffee harvests. Forecasts indicate that the potential impact could affect coffee farms in Brazil, Indonesia, Vietnam, Colombia, and Guatemala. In Brazil, the La Niña is expected to bring lower temperatures and the risk of frost, increasing concerns for coffee growers, especially in the Southeast of the country. In recent years, La Niña has been active during key phases of crop development, resulting in significant yield reductions.

ARABICA

Figure 1
Main Producing States of Arabica Coffee in Brazil

***Data Source**: USDA/Brasilia Office of Agricultural Affairs (OAA); Graph Post Brasilia*

- **Minas Gerais**: In the 2024 harvest, various regions in the state experienced periods of high temperatures and heavy rains in critical moments, which resulted in many plants having fruits at different stages of development and pellets in very inconsistent sizes. As a result, many producers advanced their reaping due to the lack of uniformity in fruit maturation and the quality of the grains. Some crops were also affected by coffee berry borer (*Hypothenemus hampei*), which required more maintenance. Nevertheless, from December 2023 onwards, rains began to occur again in sufficient volumes to promote the recovery of most crops, ultimately resulting in good vegetative and phytosanitary conditions. This recovery, aligned with an expected increase in area production has led to a slightly larger production of arabica coffee for the largest arabica coffee-producing state. The Technical Assistance and Rural Extension Company of Minas Gerais (EMATER-MG) estimates that Minas Gerais will harvest 29.9 million 60-kilogram bags of coffee in 2024, which represents a 4.9 percent increase over the 2023 harvest.

- **São Paulo**: The state is expected to experience an increase in production of arabica coffee, with new areas being brought into production as a result of a crop renewal cycle that occurred in 2022, when many producers saw their harvests hit by frost. Overall, São Paulo experienced optimal weather during the critical stages of development, which will favor the yield of the coffee trees.

- **Espírito Santo**: Arabica coffee production is mostly concentrated in the southern mountainous region of the state. The estimate is for positive projections in 2024, mainly due to the positive year of the biennial cycle, which tends to increase productivity, despite a slight decline in area in production compared to 2023. This reduction is a result of a recent replacement in arabica coffee areas at lower altitudes, which are being replaced with conilon coffee crops. The state's coffee harvest began in mid-April 2024 and is still in its early stage, expected to intensify in the upcoming months and continue until December. The initial estimate by the state's Institute of Research, Technical Assistance and Rural Extension (INCAPER) suggests that Espírito Santo should produce 4 million bags of arabica coffee.

- **Bahia**: The crops in the state are mostly in the fruiting and maturation phases. Harvest has begun in some regions, and a good yield is expected due to the positive biennial effect and relative stable weather patterns throughout the development of the crops. Additionally, coffee is entirely grown by irrigation in certain regions of the state. The harvesting season should last until September.

- **Paraná**: The state has shown some reductions in coffee areas, mainly in areas which are considered old crops, which are gradually being replaced by areas with high technology, including mechanized harvesting and irrigation. However, the overall reduction in area in production in the state is expected to be small. Paraná has suffered from droughts and high temperatures, which affected yields and brought a greater risk of pests. The state's Department of Rural Economy (DERAL/PR) estimates Paraná's 2024 harvest at 700-750 thousand bags, similar to the previous year. In 2023, the state produced 722 thousand bags, a 48 percent increase from 2022. Although the harvesting has just begun, the weather conditions have been favorable, despite occasional excessive heat and limited rainfall.

ROBUSTA/CONILON

Figure 2
Main Producing States of Robusta/Conilon Coffee in Brazil

Data Source: *USDA/Brasilia Office of Agricultural Affairs (OAA); Graph Post Brasilia*

- **Espírito Santo**: The largest conilon coffee producing state in Brazil experienced drought and high temperatures between October and December 2023, which affected the productive potential of the beans. Producers consulted by Post reported concerns about the average productivity and quality of the fruits to be harvested, although the harvest is still in its early stages. However, the arrival of rains at the beginning of 2024 appears to have been sufficient to guarantee the development of the crops and should result in a larger harvest than in 2023, though far from the initial estimate of the season. The shortage of labor has contributed to the acceleration of mechanization in the fields. Furthermore, the state has been focusing on the sustainability of the Espírito Santo coffee chain, with an eye on increasing conilon exports to the world. The state's Institute of Research, Technical Assistance and Rural Extension (INCAPER) estimates that Espirito Santo should produce 11 million bags of conilon coffee. About 75 percent of the conilon crops is in the North of the state, with harvesting starting in May and following until August.

- **Rondônia**: Second largest conilon producer in the country, the state is expected to produce less this season, due to a decrease in area in production, as crops are being renewed. Additionally, the development of the fruits has been affected by frequent heavy rain and high temperatures, leading to lower yields. The National Supply Company (CONAB) estimates a 10 percent reduction in production for 2024 compared to the previous year.

- **Bahia**: The harvest has begun and has shown lower yield and production, as a result of the lack of rain and high temperatures in the last months of 2023. However, there is a possibility of improved yields for later crops, which are expected to surpass the average yield obtained last season. This improvement is largely attributed to the lower incidence of pests compared to 2023. This should offset the losses in the beginning of the harvest cycle.

Infrastructure Hurdles

Besides the difficulties in crop production Brazilian coffee exporters continue to face internal logistical bottlenecks, which create even more difficulties in shipping their cargo and increase export costs. According to a study commissioned by the Council of Brazilian Coffee Exporters (CECAFE) found that 81 percent of coffee shipments at Brazil's main ports were delayed in March 2024. In the Port of Santos, the main hub for coffee exports, 80 percent of shipments were delayed or rescheduled in March, with some container ships delayed by almost 39 days.

The study also highlights issues related to the opening of gate accesses at the terminal, which directly impact companies' shipment planning and result in additional costs. In March 2024, only 13 percent of boarding procedures had more than four days of open gates for ships. Another 57 percent had between three and four days, and 30 percent had less than two days. These obstacles make it difficult for exporters to meet deadlines and commitments with international customers. Additionally, 27 ships did not have a slot to allow the loading of goods, which meant that coffee exporters had no choice but to pay for this unexpected pre-stacking cost.

The Brazilian coffee industry has been facing challenges in finding an adequate workforce, especially leading up to the harvest. Despite new agreements between the National Coffee Council (CNC) and the Federal Government, finding labor for manual harvesting remains a significant problem. High costs and a lack of willing workers make it difficult for coffee farmers to find the help they need. Consequently, Brazilian producers often have to start harvesting earlier than recommended or prioritize part of the crop due to workforce availability.

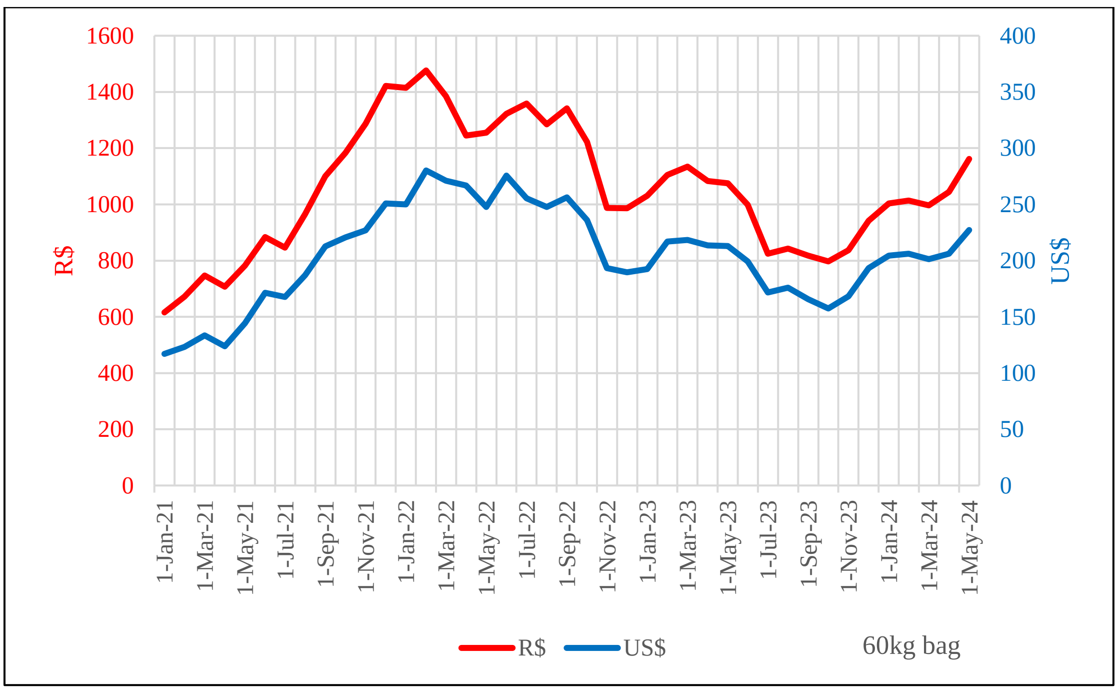
Coffee Prices

Brazil is the world's largest producer of arabica coffee and the second largest producer of Robusta/Conilon after Vietnam. Poor harvests in Vietnam and a recent disruption in maritime transport in the Red Sea have caused Robusta/Conilon prices to rise globally, leading to increased demand for Brazilian coffee, with European roasters purchasing it as a substitute.

According to data from the University of São Paulo’s Center for Advanced Studies in Applied Economics (CEPEA), which serves as a reference for prices in Brazil, arabica coffee prices averaged R$ 1214.35 (US$ 236.77) in April 2024, almost 10 percent higher than in April 2023, when arabica coffee averaged R$ 1106.36 (US$ 220.56). On May 17, 2024, Arabica coffee reached R$ 1155.64 (US$ 226.42) per 60 kg bag, a strong increase from the prices registered in the end of 2023, when it reached the low mark of R$ 779.9 (US$ 155.08) on September 29, 2023, driven by movements in the global market.

At the end of March, with just over a month remaining before the start of the 2024 Arabica coffee harvest, the Regional Coffee Growers Cooperative in Guaxupé (Cooxupé), which is considered the biggest cooperative in the world, estimated that 82 percent of the 2023 harvest in the states of Minas Gerais and São Paulo had already been sold. Additionally, approximately 18 percent of the 2024 harvest had already been negotiated as well.

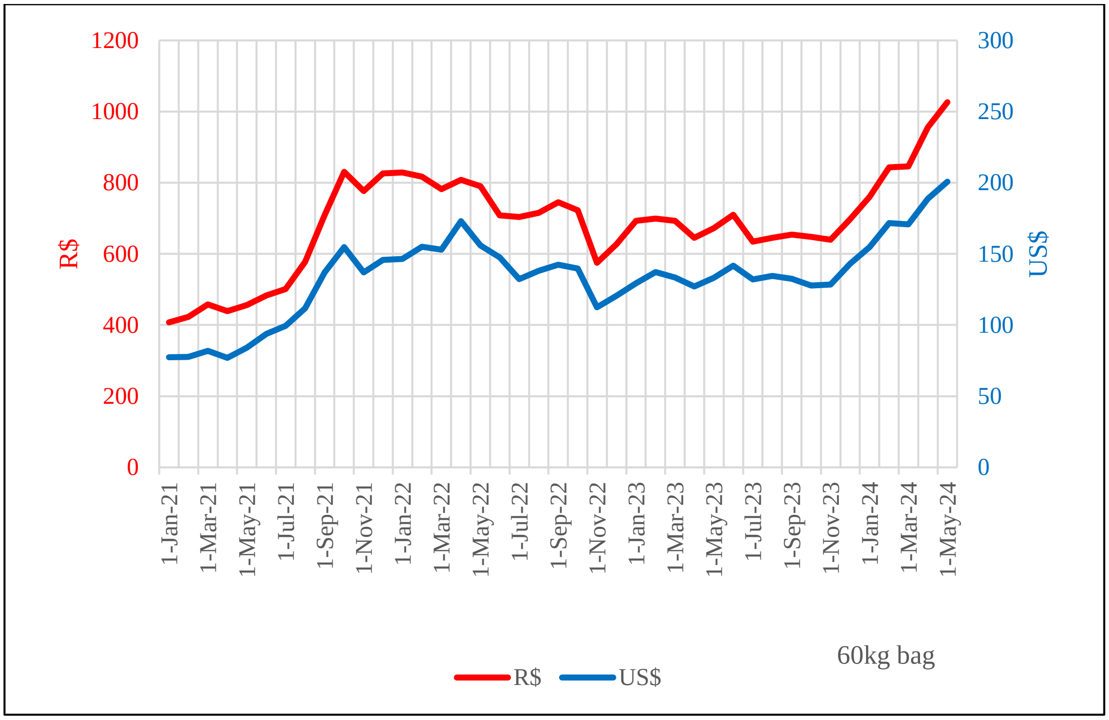
Figure 3
Arabica Coffee Prices in Brazil (60 kg bag)



***Data Source**: University of Sao Paulo Center for Advanced Studies in Applied Economics (CEPEA), Arabica coffee delivered to São Paulo; Graph Post Brasilia*

The CEPEA Indicator for robusta reached a new record on April 26, 2024, when the coffee was quoted at R$ 1160.91 (US$ 226.92) per 60-kilogram bag. This increase is attributed to the problems encountered in the production of robusta coffee in Vietnam, which has consequently directed external demand to Brazil. Post contacts expressed belief that robusta prices in Brazil should continue to rise, at least in the short run. As robusta prices rise internationally, conilon coffee is becoming more favorable in Brazil. In addition, the impact of the climate crisis on arabica production has prompted the industry to expand its use of conilon coffee, which consumers are increasingly accepting. However, given the peak prices, producers are advised to remain cautious, as the Indonesian harvest arrives in the market from May onwards.

Figure 4
Robusta/Conilon Coffee Prices in Brazil (60 kg bag)



Data Source: *University of Sao Paulo Center for Advanced Studies in Applied Economics (CEPEA), Robusta coffee from Espírito Santo; Graph Post Brasilia*

Initial projections from the Brazilian Ministry of Agriculture and Livestock (MAPA) for the 2024 coffee crops indicate that the gross revenue (Gross Production Value – GPV) from the Brazilian coffee harvests is expected to reach R$ 57.24 billion. The Gross Production Value (GPV) reflects the performance of crops and livestock throughout the year and corresponds to revenue at the farm gate. It is calculated based on agricultural and livestock production and the prices received by producers in the country's main markets for the 26 largest national agricultural products.

Of the total coffee GPV, 72 percent is attributed to Arabica coffee, while the remaining 28 percent is from Robusta/Conilon coffee. Compared to the 2023 figures, where the sector's gross revenue was R$ 49.04 billion, the 2024 projection represents an increase of around 17 percent. For Arabica coffee, which generated a gross revenue of R$ 37.26 billion in 2023, an increase of 9.4 percent is expected. As for Robusta/Conilon, which registered R$ 11.64 billion, the estimate indicates a significant growth of 29 percent from 2023 to 2024.

Negotiations are expected to pick up in the coming months as the 2024/25 harvest progresses. Forecasts suggest a promising cycle with growth expectations compared to the previous one. However, it is crucial to maintain a favorable climate in Brazil to ensure that the market is truly positive for Brazilian producers to make a profit.

Coffee Consumption

Post increases its forecast for Brazil's total domestic coffee consumption for MY 2024/25 (July-June) to 22.67 million coffee bags (21.7 million bags of roast/ground and 970,000 bags of soluble coffee), from its previous estimate of 22.56 million coffee bags (21.6 million bags of roast/ground and 960,000 bags of soluble coffee), based on trendline.

The Brazilian Coffee Industry Association (ABIC) estimates that the domestic coffee consumption in Brazil between November 2022 and October 2023 totaled 21.67 million 60kg bags. Of this total, 95 percent corresponds to roasted and ground coffee, totaling 20.62 million bags. The remaining 5 percent accounts for 1.05 million bags (equivalent to 24,248 thousand tons) of soluble coffee. This represents a 5.2 percent increase of this type of coffee in relation to domestic consumption in 2022.

The domestic consumption of soluble coffee in Brazil has been steadily increasing since 2016, according to the Brazilian Association of the Soluble Coffee Industry (ABICS). In 2016, the consumption was of 811.6 thousand 60 kg bags. By 2019, Brazilian were consuming 904.9 thousand bags, until soluble coffee consumption reached a new record of 1.05 million 60kg bags in 2023.

Table 3
Domestic Consumption of Soluble Coffee in Brazil

Consumption	January – December 2023		January – December 2022		Variation
Product Type	**Kg**	**Bags**	**Kg**	**Bags**	**%**
Spray Dried	22,784,502	987,328	21,776,677	943,656	4.6
Freeze Dried	1,463,263	63,408	1,269,516	55,012	15.3
Total	24,247,765	1,050,736	23,046,193	998,668	5.2

Data Source: *Brazilian Association of the Soluble Coffee Industry (ABICS); Table Post Brasilia*

The consumption of soluble coffee in Brazil reached 5,235 tons in the first quarter of 2024, a volume that represents a 5.3 percent growth compared to the 4,970 tons consumed from January to March 2023, according to ABICS. For the association, the increase in volume consumed in Brazil has been constant since 2016 and reflects permanent investments in the quality and diversity of products, aligned with promotion and employment strategies in other forms of consumption, such as gastronomy. Post contacts have indicated that domestic consumption of soluble coffee should continue to rise in 2024, primarily due to ongoing technological and product diversity investments.

Analysts consulted by the Post estimate that domestic consumption accounted for nearly 40 percent of total Brazilian coffee production. This marks an increase of 1.6 percent compared to 2022. For soluble coffee alone, ABICS estimates that 20 percent of the total produced by the country last year was destined for domestic consumption, representing a 5.2 percent increase over the previous year. According to CONAB, in 2023 the Southeast Region was responsible for almost 42 percent of Brazil's total coffee consumption, followed by the Northeast Region (27%), South (14.5%), the North Region (8.5%), and the Central-West Region (8%).

ABIC prepared a survey that analyzes the coffee consumption habits in Brazil from 2019 to 2023 and found that consumers are more attentive to coffee quality and food safety. The research revealed that 49 percent of respondents claimed to have "increased their consumption" of coffee in 2021, with 81 percent "maintaining that consumption" pattern in 2023. This means that a significant number of consumers who had previously increased their coffee intake continued to do so. Additionally, only 3 percent of consumers reported a decrease in consumption in 2023.

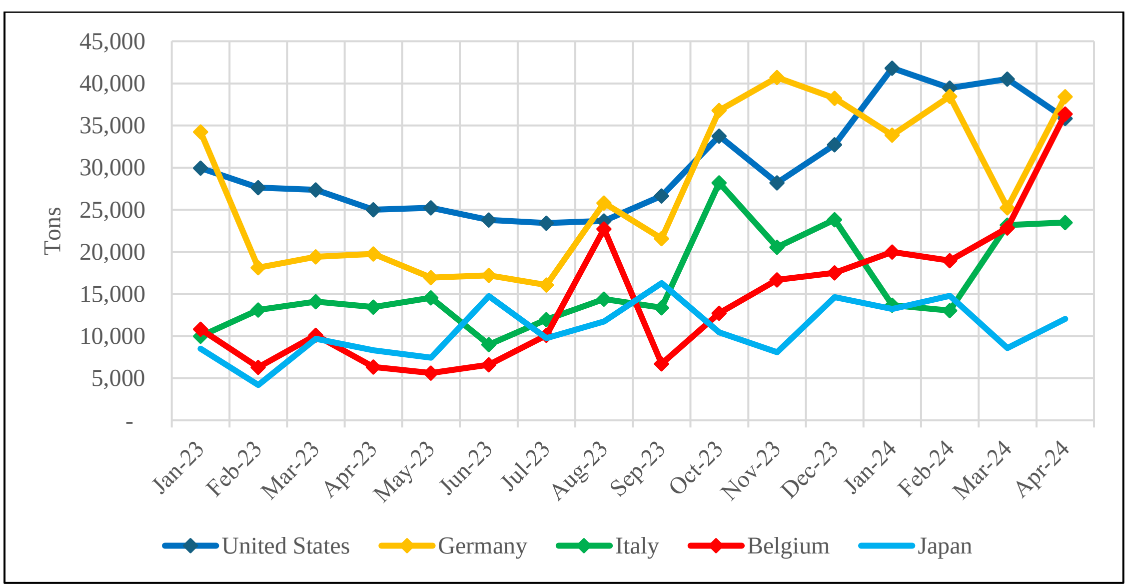
The survey results show that 29 percent of consumers drink more than six 50 ml cups of coffee daily, while 46 percent consume between three and five cups. Purchases are mostly made by Brazilian consumers in supermarkets, which account for 63 percent of responses, followed by wholesale at 25 percent. Small retailers and coffee shops hold the third and fourth positions, with 6.4 percent and 3 percent, respectively.

In 2021, coffee consumers were more interested in price and promotional sales, motivated by the economic effects of the pandemic. By 2023, consumers have been favoring brands, paying closer attention to quality and food safety. This fact highlights the increase in the consumption of specialty coffee. The survey shows that there is a growing preference for certified coffees: 86 percent of those interviewed in 2023 believe that this type of product is better, compared to 81 percent in 2021.

Coffee Trade

Post forecasts total coffee exports for MY 2024/25 (July-June) at 46.65 million 60-kg bags, green bean equivalent, a 2.4 percent increase in relation to the 2023/24 estimate of 45.55 million 60-kg bags. The increase in exports is due to higher demand for Brazilian coffee, following the decline in production of other important coffee-producing countries, such as Vietnam and Indonesia.

Figure 5
Main Destination of Brazilian Coffee (Green Bean), January 2023 – April 2024

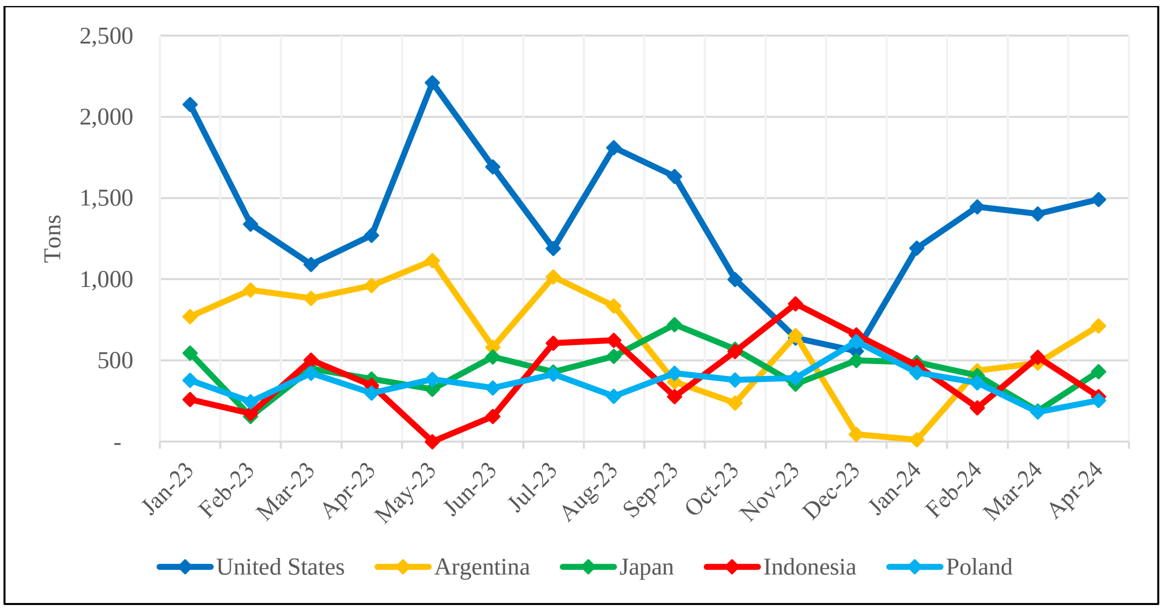


Data Source*: Trade Data Monitor LLC (Green Bean HS Code 090111 and 090112); Graph Post Brasilia*

Post forecasts exports of soluble coffee in MY 2024/24 at 4.1 million bags, 2.5 percent higher than in the previous season. The United States was the main importer of soluble coffee from Brazil in 2023, with 16.2 thousand tons (18.7% of total exports) – equivalent to 692 thousand 60kg bags; followed by Argentina, in second, with 8.27 thousand tons (9.5% of total exports) – 351 thousand 60kg bags; Japan – 5.35 thousand tons (6.2%) corresponding to 228.6 thousand bags; Indonesia, with 5.22 thousand tons (6%) – 222 thousand bags; and Finland, with 5.03 thousand tons (5.8%) which are equivalent to 214.6 thousand 60kg bags rounding out the top five. Russia, which has been a major importer of Brazilian soluble coffee for decades, dropped to the 19th position in 2023, mainly due to the consequences of the conflict with the Ukraine and the possible purchase of coffee from closer providers. Last year, Russia imported 1,310 thousand tons of soluble coffee from Brazil, a 58 percent drop from the total registered in 2022.

Figure 6

Main Destination of Brazilian Soluble Coffee, January 2023 – April 2024



Data Source: *Trade Data Monitor LLC (Soluble Coffee HS Code 210111 and 210112); Graph Post Brasilia*

According to data from the Council of Brazilian Coffee Exporters (CECAFE), from January to March 2024, Brazil exported 9.2 million bags of Arabica coffee, accounting for 77 percent of the total coffee exports. This represents a 28 percent increase compared to the same period in 2023. Additionally, Brazil exported 1.9 million bags of robusta coffee, marking a substantial 592 percent increase from the first quarter of 2023. Soluble coffee exports for the same period reached 879.4 thousand bags, showing a decrease of 4.4 percent compared to 2023. Moreover, roasted and ground coffee exports totaled 9,221 bags, reflecting a 15 percent drop according to CECAFE.

In the accumulated 12-month period from January to December 2023, coffee-producing countries imported 2.35 million 60kg bags of coffee from Brazil. This represented a significant increase of 16 percent compared to the previous year. The main buyer of Brazilian coffee in 2023 was Colombia, which imported 1.09 million 60kg bags (46.4% of the total sold to producing countries). In second place was Mexico, which acquired 545.36 thousand bags (23.2%), followed by Indonesia with 189.71

thousand bags (8.1%), the Dominican Republic with 162.16 thousand bags (6.9%), and Vietnam with 146.66 thousand bags (6.2%). The total coffee exports in the 2023 coffee year reached a volume of 39.24 million 60kg bags, which was 0.4 percent below the previous year's value, according to Brazilian government data.

Other producing countries such as Mexico, Colombia, Vietnam, and Indonesia have been increasing imports of Brazilian coffee to meet their consumption and re-export commitments. Hit by climatic and logistical adversities, Vietnam increased its purchases of robusta from Brazil by almost 212 percent, from January to April 2024 compared to the same period in 2023, while Indonesia increased its purchases by 119 percent in the same period. Mexico imported 307,606 bags of Brazilian green coffee in the first four months of 2024, a volume that represents a significant increase of 877 percent compared to the same period in 2023.

Table 4
Brazilian Exports of Green Coffee to Coffee Producing Countries (60 kg bags)

Producing Countries	January – April 2024	January – April 2023	Variation (%)
Mexico	307,606	31,487	877%
Colombia	209,281	397,650	-47%
Vietnam	76,782	24,643	212%
Ecuador	66,711	-	-
Indonesia	52,043	23,757	119%
Dominican Republic	28,905	37,109	-22%
Cuba	24,034	13,307	81%
India	18,632	-	-
Philippines	4,360	2,712	61%
Kenya	2,560	640	300%
Panama	2,334	316	639%
Thailand	2,184	2,200	-0,7%
Trinidad and Tobago	1,300	1,625	-20%
Paraguay	106	1,154	-918%
Costa Rica	-	6,933	-100%
Haiti	-	320	-100%
TOTAL	**796,838**	**543,853**	**46,5%**

Data Source*: Council of Brazilian Coffee Exporters (CECAFE); Table Post Brasilia*

According to CECAFE, Brazil exported 1.57 million 60kg bags of specialty coffees in the first two months of 2024. Specialty coffees are considered those that have superior quality or some type of certificate of sustainable practices. This marks a 45 percent increase from 2023, generating a total revenue of US$356.9 million. The United States was the top destination for specialty coffees, importing 455,803 bags, equivalent to 29 percent of the purchases, followed by Germany with 283,875 bags (18%), Belgium, with 146,802 bags (9.3%); The Netherlands, with 84,010 bags (5.3%); and Japan, with 80,101 bags (5.1%).

Overall, the total volume of coffee exports for the first four months of 2024 reached a value of US$ 3.4 billion, representing a 40 percent increase from the same period in 2023 and the highest value ever recorded in CECAFE's historical data.

In addition, contacts consulted by Post have indicated that some European roasters intend to bring imports forward to 2024, before the European Union Deforestation Regulation (EUDR) comes into force. This should further increase demand for coffee in Europe, despite an unfavorable market for storage, due to the ongoing conflicts.

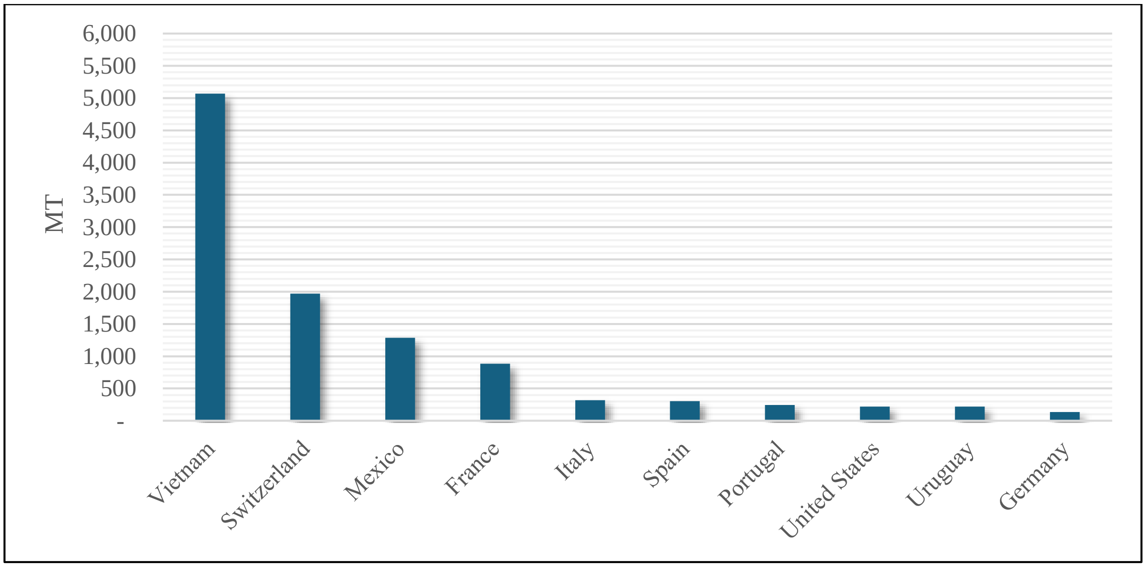
Table 5
Brazilian Coffee Exports by Classification/Type (January to April 2024)

Type/Classification	60-Kg bag	US$ FOB	Average price US$/bag
Arabica – Total	**12,469,024**	**2,741,163,611.89**	**219,84**
Special or Gourmet	344,117	83,908,018.69	243,84
Robusta/Conilon – Total	**2,558,550**	**447,671,047.59**	**174,97**
Robusta/Conilon	2,557,854	447,535,660.34	174,97
Special or Gourmet	696	135,387.25	194,52
Soluble – Total	**1,203,267**	**249,951,349.81**	**207,73**
Spray Dried	870,861	175,891,557.82	201,97
Freeze Dried	318,909	69,665,087.67	218,45
Extract	12,126	3,719,898.05	306,77
Coffee Preparation	918	599,200.20	652,72
Special or Gourmet	453	75,606.07	166,90
Roasted – Total	**11,136**	**5,372,189.14**	**482,42**
Roasted	10,133	5,088,349.14	502,16
Special or Gourmet	1,003	283,840.00	282,99

Data Source*: Council of Brazilian Coffee Exporters (CECAFE); Table Post Brasilia*

With Brazil being largest coffee producer in the world, coffee imports tend to be small. For the second consecutive year, Vietnam was the main source of coffee imports for Brazil, providing exclusively green coffee, followed by Mexico. Switzerland and France have been the main suppliers of roasted/ground coffee imports to Brazil during the 2023/24 marketing year (July-June), with Switzerland accounting for almost half of all imports of this type of coffee.

Figure 7
Main Origin of Total Coffee Imports to Brazil in 2023



***Data Source**: Brazilian Ministry of Development, Industry, Commerce and Services (MDIC/SECEX); Graph Post Brasilia*

Coffee Stocks

Post forecasts total ending stocks in MY 2024/25 at 3.5 million bags, up from the estimate of 2.8 million bags for MY 2023/24. The increase is mainly due to higher production of arabica coffee and a relatively stable consumption pattern in Brazil. While there is an expected larger coffee export during the upcoming season to compensate for the crop shortfall of other major global coffee producers, it should be lower than the forecast in production growth for the season, ultimately leading to higher stocks.

Coffee Policy

In May 2024, the Coffee Policy Deliberative Council (CDPC) approved the distribution of the Coffee Economy Defense Fund (FUNCAFE) for the 2024/25 harvest. The coffee sector is the only one in the Brazilian agribusiness that has its own fund, constituted with resources originating from the productive sector. The purpose of the fund is to:

1) Develop the coffee production chain in Brazil through financing and incentives for the modernization of coffee farming, aiming for higher productivity and quality. It also supports coffee research for the development of plants resistant to pests, diseases, and adverse climatic conditions, seeking to produce with lower costs and more technology, in order to be more competitive in the market.

2) Support industry and exports, with the goal of increasing consumption and seeking new markets, securing buyers for coffee produced on rural properties.
3) Promote the ordering of supply, including financing of storage to prevent coffee growers and their cooperatives from having to sell coffee during periods when prices are at their lowest.

The next step is final approval by the National Monetary Council (CMN), which will also set the maximum interest rate in mid-June. This year, the allocation of funds for working capital (industry and cooperatives) has reached a record of R$ 1.01 billion.

Table 6
Coffee Economy Defense Fund (FUNCAFE) 2024/25

	2020/21	2022/23	2023/24	2024/25
Crop Management	R$ 1.6 billion	R$ 1.57 billion	R$ 1.62 billion	R$ 1.73 billion
Marketing Financing	R$ 2.21 billion	R$ 2.17 billion	R$ 2.35 billion	R$ 2.49 billion
Financing for the Acquisition of Coffee (FAC)	R$ 1.11 billion	R$ 1.38 billion	R$ 1.48 billion	R$ 1.61 billion
Recovery of Damaged Coffee Plantations	R$ 1.61 million	R$ 160 million	R$ 30.0 million	R$ 30.0 million
Working Capital (industry and cooperatives)	R$ 6.31 million	R$ 775 million	R$ 883.75 million	R$ 1.01 billion
TOTAL	**R$ 5.71 billion**	**R$ 6.06 billion**	**R$ 6.37 billion**	**R$ 6.88 billion**

Data Source*: Coffee Policy Deliberative Council (CDPC); Table Post Brasilia*

The Brazilian Ministry of Agriculture and Livestock (MAPA) published in the first week of April the update of the minimum prices for Arabica and robusta/conilon coffee for the 2024/2025 harvest. The prices will be used as a reference in operations linked to the Minimum Price Guarantee Policy (PGPM), which aims to ensure a minimum income for rural producers. The minimum prices are set before the start of the next harvest. They help farmers decide what crops to plant and show the government's commitment to buying or subsidizing agricultural products if their market prices fall below the minimum prices.

For Arabica coffee, the minimum price for the 2024/25 harvest was set at R$ 637.91 per 60-kilo bag, which represents a reduction of almost 7 percent compared to the previous season. For robusta, the value was set at R$ 423.08 per 60-kilo bag, a drop of 8 percent. CONAB attributes the decrease to the reduction in production cost, especially due to the lower expenses for purchasing fertilizers. The new minimum prices for coffee are effective from April this year until March 2025.

Table 7
Coffee Minimum Guaranteed Prices (R$/60kg bag)

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Arabica type 6	341.21	362.53	364.09	369.40	606.66	684.16	637.91
Robusta/Conilon type 7	202.19	210.13	242.31 (Brazil) 210.13 (Rondônia)	263.93	434.82	460.02	423.08

***Data Source**: National Supply Company (CONAB); Table Post Brasilia*

Attachments:

No Attachments