

**Required Report:** Required - Public Distribution

**Date:** May 10, 2024

**Report Number:** GT2024-0004

## **Report Name:** Coffee Annual

**Country:** Guatemala

**Post:** Guatemala City

**Report Category:** Coffee

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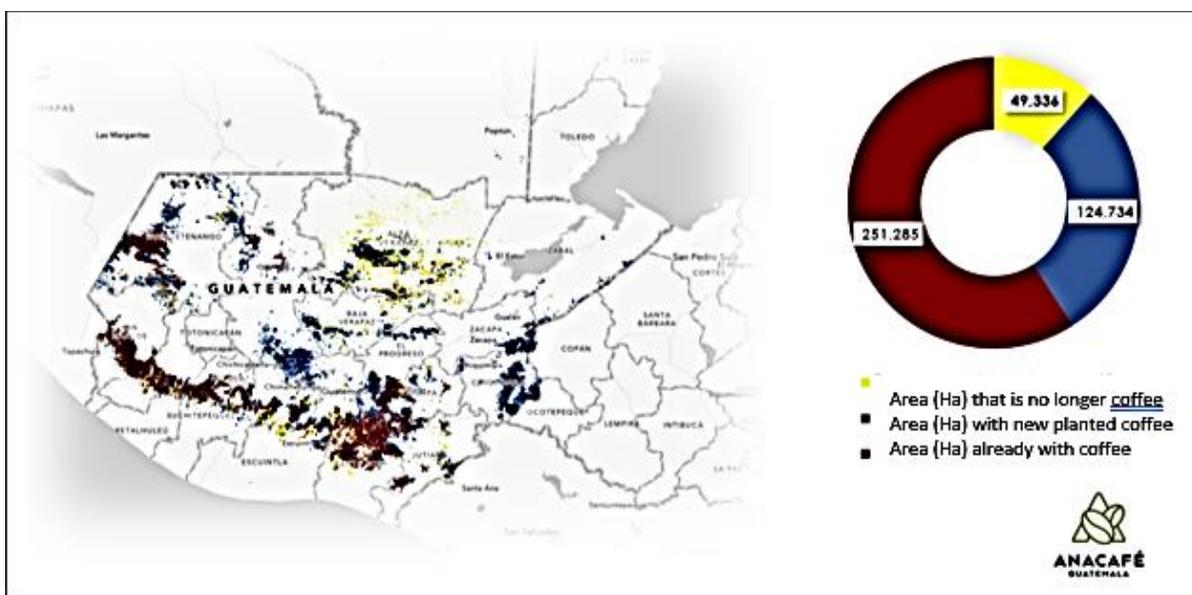
### **Report Highlights:**

Guatemala coffee area was updated by the National Coffee Association (ANACAFE), accurately reporting now 376,000 hectares (Ha) from previous 305,000 Ha. The updated area and number of trees do not affect previous data or production estimates. Guatemala maintains position 9 as the largest coffee exporter and 4th largest Arabica coffee exporter worldwide. Production and exports are forecast to slightly reduce in MY2024/2025, as estimates for MY2023/2024. Guatemala is worried about reduction in differential prices paid for specialty vs. non-specialty coffees, which significantly dropped in the present harvest.

## Crop Area:

In 2023, ANACAFE updated its coffee production areas, which involved 101 surveyors dedicating close to 35 days each to visit farms and production sites previously mapped, for a total of 5,399 collaborations on web maps, with 83% efficiency, editing 136,547 production sites. The resulting endeavor is an updated coffee map for Guatemala, like the one shown in Figure 1, reflecting a total of 251,265 Ha with stable coffee plantations (brown color), new 124,734 Ha (blue color) not reported before, and deduction of 49,336 Ha (yellow color) that no longer have coffee.

Figure 1  
Updated coffee production sites in Guatemala



Source: ANACAFE, 2024

Guatemala's coffee planted area for Marketing Year (MY) 2024/2025 is forecast at 376,000 Ha, 1.6 billion mature trees and 183 million non-bearing trees. This is a constant for MY2023/2024 and for MY2022/2023, based on ANACAFE's recent update. Guatemala has a total estimated coffee tree population of 1.8 billion trees. The updated coffee area occupies 3.5 percent of the national territory and is the largest agroforestry system in Guatemala, grown in 261 out of the 340 municipalities in the country. Arabica coffee continues to represent 99 percent of total production, followed by 1 percent of Robusta. The Arabica plantations continue to be mostly under shade, and shade tree species continue significantly increasing as more producers seek to enter the specialty coffee market and prepare for more environmentally friendly certifications.

Harvested area in MY2024/2025 is forecast at 338,000 Ha, close to 90 percent of the planted area, leaving roughly 10 percent not harvested due to renovations. The same area is estimated for MY2023/2024 and for MY2022/2023, based on recent ANACAFE's updated coffee map. Though planted and harvested areas have increased based on ANACAFE's 2023 update, production has not increased.

### **Production:**

Post forecasts that production in MY 2024/2025 will slightly decrease to 3.25 million 60-kg bags, down from the MY2023/2024 estimate of 3.26 million 60-kg bags. Production for MY2022/2024 closed at 3.26 million 60-kg bags but has been revised down 6 percent from previous Post estimate. The reduction in the estimate is due to various factors, with the extended El Niño year being one of the main factors negatively impacting the 2023/2024 harvest. Although it has been a relatively dry harvest season, rust is present in farms that are not well managed. The coffee borer continues to be an important pest as mature coffee falls to the ground and cannot be harvested given the permanent lack of labor (migration driven) affecting Guatemalan agriculture.

Although fertilization costs have fallen since the pandemic, prices have not matched many farmers financial capabilities to apply the whole season's recommendations. This is where ANACAFE is playing an important role in reaching out to producers with its extension agents, though limited manpower of less than 60 technicians for the whole country. The international cooperation, including USDA Food for Progress Programs in Guatemala have also defined technology transfer and extension as crucial to support the coffee sector. ANACAFE started several years ago its Sustainable Profitability Program, which represents a paradigm breaking approach of converting coffee growers into coffee entrepreneurs. The program has 3 phases:

- Phase I – financial recovery of the farm (3 years with no investments)
- Phase II – renovation plan (7-12 years with financial stability and at least 5 percent renovation per year)
- Phase III – innovation (long term financial stability, improvement plans and innovation).

Prior to the initiation of the program, ANACAFE extension agents carry out a financial diagnosis of the farmer's plantation and the farmer himself. The program helps farmers define his economic activity as a coffee business with an agronomic, administrative, and financial angles. The profitability indicators include efficiency in the use of resources, quality, and productivity.

After 2 years of implementation, there are 21,358 hectares belonging to 3,282 producers implementing the program. Post visited "Tierra de Fuego" or Land of Fire Cooperative in San Juan Alotenango, Sacatepequez. Photo 1 shows some of the members of the cooperative, building a drying structure to dry coffee vertically, as they don't have drying patios.

Photo 1

“Tierra de Fuego” Coffee Cooperative in San Juan Alotenango, Sacatepéquez



Source: USDA visit to Alotenango, Sacapatepequez, 2024

Before signing into the program, farmers accept that there are 5 non-negotiable technological packages:

- Tissue management system
- Nutritional program
- Preventive pest and disease management
- Weed control
- No-cost shade

Mr. Hector Cruz, member of “Tierra de Fuego” Coffee Cooperative, is a small farmer with less than 2 Ha who has successfully implemented ANACAFE’s Sustainable Profitability Program (see Photo 2).

Photo 2

Mr. Hector Cruz, member of “Tierra” de Fuero Cooperative proudly showing his model farm



Source: USDA visit to Hector Cruz’s farm in Alotenango, Sacapatepequez, 2024

Mr. Cruz explained that the program has completely changed his approach to coffee production, explaining that in his plot, with less than 2 Ha, he has implemented the following:

- 1) Tissue Management System: The farm is divided into 3 blocks, the first one pruned at the main trunk, at 80 cm height, instead of the original pruning done down to 50 cm, leaving lower branches to still produce some coffee. The rest of the blocks are harvested in Year 1. Year 2 will require pruning the second block, when the first block has entered production, and the third block is in full production. The cycle is closed with pruning the third block in Year 3; the cycle repeats while the plantation is still highly productive. Throughout the cycles, the branching increases (see Photo 3) and thus flowering and production.

Photo 3

Tissue Management System as part of the Profitable Sustainability Program of ANACAFE



Source: USDA visit to Hector Cruz's farm in Alotenango, Sacapatepequez, 2024

- 2) Nutritional Program: Depending on how depleted the plantation looks, a tissue analysis may be recommended. The nutrition program is a standard macro and micronutrients recommendation, but the key is not applying the fertilizers all at once but in lower amounts and with more frequency along the production cycle.
- 3) Preventive pest and disease management: Implementing cultural practices that reduce pest and disease exposure, such as applying just fungicide at the sowing of the seed that will support the grafting, and after the grafting. Pick up fallen cherries to avoid the fruit borer and monitor for rust initiation. Well managed coffee plantations may not need spraying agrochemicals at all during the flowering and cherry production.
- 4) Weed control: The organic matter from the coffee leaves and shade is good enough to control most of the weeds.
- 5) No-cost shade: Farmers can grow their own shade seedlings to avoid unnecessary additional shading costs; surrounding coffee plantations, some farms also give away shade tree seeds or seedlings.

## **Yields:**

ANACAFE has updated the number of coffee farmers, resulting in 354 large farmers (more than 2,001 Ha) representing 0.28 percent of the total producers, with 25 percent of the total coffee production. Large farmers are those with a production capacity above 1,500 60-Kg bags, with an average productivity of 12 60-Kg bags per hectare. Median coffee farmers represent 3 percent of the farmers, with 3,636 producers with average area of 201-2000 Ha, producing 31 percent of the harvest. Finally, the small coffee farmers, which represent almost 97 percent of the total farmers, producing 44 percent of the harvest, with areas of less than 200 Ha and yields less than 9 60-Kg bags/Ha. The total number of producers accounts for 125,182 coffee farmers. Coffee yields have not been impacted because of ANACAFE's planted area update, as yields are not estimated at the national level but at the farm level, independently of the size of the farm.

Coffee yields vary depending on many factors, including the farmer's capacity to provide adequate nutrition and labor availability. Adequate nutrition means applying three fertilizations during the production cycle. Some farmers have cut fertilizations down to two applications or one, which normally affects the present harvest and has a much larger impact on the following year, as the next cycle starts with more severe nutrient depletion. This is especially true for the more than 100,000 small farmers producing in less than 2 Ha in Guatemala. Though many farmers are shifting to organic compost, yields continue dropping. Farmers are seeking low-cost technologies that may support pruning, harvesting, and milling.

## **Policy:**

ANACAFE's public law (Legislative Decree 19-69) has become completely outdated as it was approved in 1969, when trade quota systems were still in place and representation was based on individual's volume production capacity. To support the coffee sector, a new administration system will have to be established with major representation of the small producers, followed by the median and large, given that the small producers already represent the largest proportion of farmers and national production. In addition, the law mandates that ANACAFE provides export licenses and approves export permits, which represents an unnecessary additional trade barrier in a free market system. Associations and cooperatives' statutes and organizational administration need to be revised prior to obtaining an export license, which may take several years.

Amendments or following legislative decrees have focused exclusively in the financial tools available for coffee. On October 30, 2013, Guatemala published Legislative [Decree 12-2013](#) to extend the national coffee trust fund originally established through Legislative [Decree 31-2001](#), published on August 1, 2001. Decree 12-2013 extends the trust fund until October 23, 2026. The trust fund is administered by Banrural Bank and is to be funded by the Government of Guatemala up to \$100 million. The decree assigns the Ministry of Agriculture of Guatemala as the responsible entity to secure the

adequate use of the trust fund, which can be used to buy agricultural inputs, mainly fungicides to combat coffee rust, and fertilizers. In addition, credits for farmers are offered with a two percent annual interest rate for small and medium-sized coffee farmers, while big producers get a three percent annual interest rate.

ANACAFE leads the implementation of labor and environmental policies, among others. On the environmental side, the most important target is to maintain the agroforestry system that shade-grown coffee represents for Guatemala, while water use, conservation, and reutilization is done in a sustainable manner. These and other important policies in the coffee sector can be further explored in the following link: [Políticas y normativas para el sector café en Guatemala \(anacafe.org\)](https://anacafe.org).

ANACAFE provides additional important services for the coffee sector, which include ANATECH (see Figure 2), a web service and mobile applications system to support the whole coffee value chain, with the following options:

- GIS: The Geographic Information System has the largest weather station network in Guatemala, facilitating precise information for the national coffee sector.
- Coffee Search System: Increases international market access by facilitating buyer-seller interaction.
- Better Soil Better Coffee: Creates fertilization and soil amends based on laboratory analysis.
- Coffee Cloud: Early warning system for coffee pests and diseases based on a surveillance system fed through permanent monitoring.
- Coffee Radio: Podcast for technology transfer efforts focused on coffee production.
- Coffee Shops: Potential domestic buyers for producers.
- Carbon Footprint: Helps measuring each farm's carbon footprint.
- Proyecta: Supports the efficient management of the coffee farm as a business unit.

Figure 2  
ANACAFE's web service and mobile applications system for the coffee sector



Source: ANACAFE, 2024

**Consumption:**

Consumption in MY 2024/2025 is forecast to remain stable at 651,000 60-Kg bags, similar as the estimate for MY2023/2024. This represents an update from MY2022/2023, which closed 4 percent above Post previous estimate of 625,000 60-Kg bags. Consumption of soluble coffee is still higher than roasted ground, representing 58 percent of the total consumption.

**Stocks:**

Guatemala doesn't manage government held coffee stocks; coffee stocks are managed privately by coffee mills at big farms, associations, or cooperatives. Stocks for MY2024/2025 are forecast at 8,000 60-Kg bags, a decrease in stocks compared to estimate of 13,000 60-Kg bags for MY2023/2024 and from 16,000 60-Kg bags in MY2022/2023. This is a direct result of slightly lower production combined with maintaining the export markets.

**Trade:**

Guatemala was the 9<sup>th</sup> largest coffee exporter in the world in MY2022/2023, with coffee making up 8 percent of the agro-industrial exports of Guatemala, and the most important export product of the country. Coffee is the major labor generator, surpassing other sectors such as palm oil, banana, sugar, and cardamom. In MY2022/2023 Guatemala was also the 4<sup>th</sup> largest exporter of Arabica coffee to the world, representing 2 percent of the total exports following Colombia (9 percent), Honduras (4 percent), and Ethiopia (3 percent).

Total exports in MY 2022/2023 fell 10 percent by 337,128 60-Kg bags, as shown in Table 1. The United States continues to be the major single country export destination importing almost 1.2 million 60-Kg bags, 17 percent down from the previous year. Overall, North America buys 49 percent of the Guatemalan exports, followed by 26 percent imports from Europe, and 22 percent imports from Asia. Japan was the second largest importer of Guatemalan coffee, followed by Belgica (10 percent) and Canada (8 percent).

**Table 1**  
Guatemalan Coffee Green Bean Exports in MY 2021/2022 and MY 2022/2023

<b>EXPORTS (60 Kg bags)</b>			
<b>Partner Country</b>	<b>Unit Green Bean Equivalent (GBE)</b>	<b>MY2021/2022</b>	<b>MY2022/2023</b>
<b>United States</b>	GBE	1,475,371	1,229,566
<b>Japan</b>	GBE	355,919	349,495
<b>Belgium</b>	GBE	261,935	287,225
<b>Canada</b>	GBE	265,523	231,325
<b>Italy</b>	GBE	141,516	140,773
<b>South Korea</b>	GBE	175,026	136,138
<b>Germany</b>	GBE	125,778	134,142
<b>China</b>	GBE	98,605	60,317
<b>Taiwan</b>	GBE	52,317	51,653
<b>OTHERS</b>	GBE	383,370	377,598
<b>TOTAL</b>	GBE	3,335,360	2,998,232

Source: Post, based on TRADE DATA MONITORING, 2024

Though bean exports continue to be the most important type of Guatemalan exports, roasted and soluble coffee is also exported. In MY2022/2023 soluble exports increased 6 percent from 15,838 60-Kg bags to 17,912 60-Kg bags. The largest importer was El Salvador, followed by the United States, Honduras, Nicaragua, Costa Rica, and Panama. Roasted coffee exports increased 11 percent from 4,215 60-Kg bags to 5,382 60-Kg bags.

### Price Table:

Farmers are limited in their export capacities, as few of the coffee associations or cooperatives have the needed infrastructure to process coffee from cherry to green bean. If not able to export, coffee farmers depend on local sales to middle-men or larger farms. Larger farms pay 10 percent above middlemen, but demand that coffee is transported to the processing facility, representing transportation around 10 percent of the final cost. Most small farmers continue selling as cherry, which has been paid in MY2023/2024 at \$21-22/100-pound. These prices negatively impact small farmers who cannot afford to sell parchment coffee, which has higher prices as shown in Table 2.

**Table 2**

Average price per 100-pound of parchment coffee paid in Guatemala to farmers in MY2023/2024

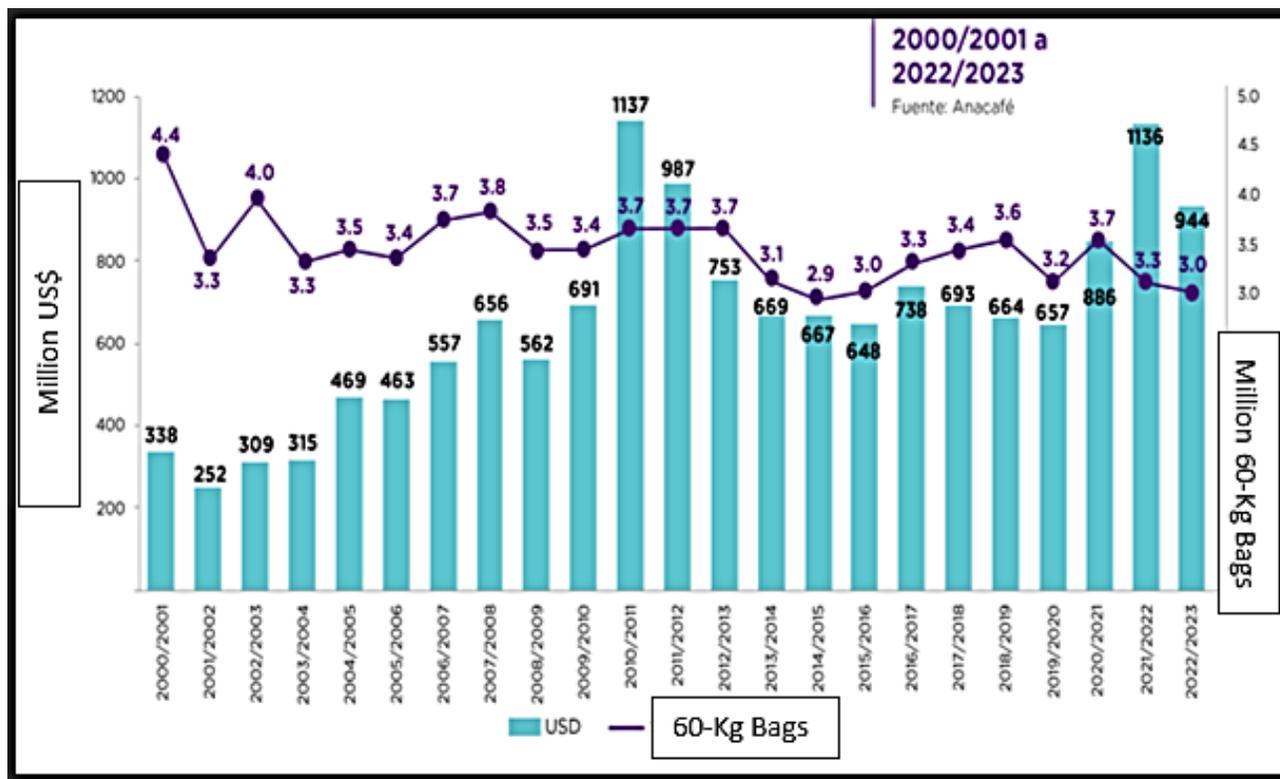
<b>Certification</b>	<b>Average Price per 100-pound of parchment coffee MY2023/2024</b>
None	\$140 - \$160
Organic	\$145- \$225
Rainforest Alliance	\$210 - \$222
Fair Trade	\$155 - \$203
Organic, Rainforest Alliance	\$205 -\$250

Source: ANACAFE, 2024

ANACAFE has expressed to Post that there is growing concern on the differential price paid for specialty coffee in MY2023/2024 compared to non-specialty coffee. That differential used to be above \$18 per 100 pounds but has dropped to \$3 per 100 pounds. This disappearing differential for washed Arabica specialty coffee puts Guatemalan coffee farmers in an additional disadvantage compared to the previous years. Figure 3 shows price vs. volume behavior for Guatemalan exports of green bean, in the past 20 years. Though export volumes have reduced, values show an increase trend.

Figure 3

Price vs. volume of Guatemalan coffee exports since MY2000/2001



Source: ANACAFE, 2024

ANACAFE continues supporting the coffee sector through international fairs, its main marketing strategy known as Guatemalan Coffees. Figure 4 shows the fairs in which Guatemala participated in MY2022/2023.

Figure 4  
International Coffee Fairs in which Guatemala participates on a yearly basis



Source: ANACAFE, 2024

In addition to Guatemalan Coffees, ANACAFE promotes:

- Guaco Coffee, which is a promotion for domestic consumption of specialty coffee.
- The Cup of Excellence Auction, selecting coffee lots of all varieties with outstanding profiles to sell internationally.
- One of a Kind Auction, promoting nano and micro batches for coffees of traditional varieties and innovative processes.

Production, Supply, and Demand (PSD)

Coffee, Green Market Year Begins Guatemala	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Planted</b> (1000 HA)	305	376	305	376	0	376
<b>Area Harvested</b> (1000 HA)	255	338	250	338	0	338
<b>Bearing Trees</b> (MILLION TREES)	1228	1628	1225	1628	0	1628
<b>Non-Bearing Trees</b> (MILLION TREES)	125	183	125	183	0	183
<b>Total Tree Population</b> (MILLION TREES)	1353	1811	1350	1811	0	1811
<b>Beginning Stocks</b> (1000 60 KG BAGS)	21	21	12	16	0	13
<b>Arabica Production</b> (1000 60 KG BAGS)	3150	3135	3305	3132	0	3130
<b>Robusta Production</b> (1000 60 KG BAGS)	120	128	130	128	0	128
<b>Other Production</b> (1000 60 KG BAGS)	0	0	0	0	0	0
<b>Total Production</b> (1000 60 KG BAGS)	3270	3263	3435	3260	0	3258
<b>Bean Imports</b> (1000 60 KG BAGS)	0	0	0	0	0	0
<b>Roast &amp; Ground Imports</b> (1000 60 KG BAGS)	5	6	5	5	0	5
<b>Soluble Imports</b> (1000 60 KG BAGS)	345	375	355	375	0	375
<b>Total Imports</b> (1000 60 KG BAGS)	350	381	360	380	0	380
<b>Total Supply</b> (1000 60 KG BAGS)	3641	3665	3807	3656	0	3651
<b>Bean Exports</b> (1000 60 KG BAGS)	2985	2975	3150	2970	0	2970
<b>Rst-Grnd Exp.</b> (1000 60 KG BAGS)	4	5	4	4	0	4
<b>Soluble Exports</b> (1000 60 KG BAGS)	15	18	15	18	0	18
<b>Total Exports</b> (1000 60 KG BAGS)	3004	2998	3169	2992	0	2992
<b>Rst,Ground Dom. Consum</b> (1000 60 KG BAGS)	275	276	275	276	0	276
<b>Soluble Dom. Cons.</b> (1000 60 KG BAGS)	350	375	350	375	0	375
<b>Domestic Consumption</b> (1000 60 KG BAGS)	625	651	625	651	0	651
<b>Ending Stocks</b> (1000 60 KG BAGS)	12	16	13	13	0	8
<b>Total Distribution</b> (1000 60 KG BAGS)	3641	3665	3807	3656	0	3651

(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

**Attachments:**

No Attachments