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Report Highlights:

Costa Rica's marketing year (MY) 2020/2021 coffee production reached 1,472,202 60-kilogram (kg) bags, which is 0.4 percent higher than the previous crop. Based on preliminary projections, production is expected to increase slightly to about 1,485,000 bags in MY 2021/2022.

Executive Summary

Costa Rica's coffee production increased less than originally expected in MY 2020/2021. However, production levels have been more stable during the last two crops, after experiencing variations of about 15 percent during the two previous marketing years. Production remained almost unchanged in MY 2020/2021, increasing by 0.4 percent to 1,472,202 60-kg bags (Note: for the purpose of this report bags refers to 60-kg bags), based on preliminary data from the Costa Rican Coffee Institute (ICAFE). Although it is still early in the new marketing year, production is forecast slightly higher at 1,485,000 bags for MY 2021/2022.

The COVID-19 pandemic did not impact Costa Rica's MY 2019/2020 production because the harvest was for the most part over when the sanitary restrictions were implemented in March of 2020. However, the sanitary measures that were implemented for human protection limited the availability of migrant workers who generally work during the harvest. This situation resulted in uncertainty among producers and created problems during the harvest of the current crop, resulting in lower output than initially forecast.

Production:

According to ICAFE, the number of coffee growers in the country has continued to decline. For instance, during MY 2019/2020 there were 29,918 growers, as compared to 48,255 in MY 2009/2010. The number of coffee growers has been on a downward trend for several years. Most of these farmers (about 86.3 percent in MY 2019/2020) are small farmers who sell the equivalent of less than 100 bags of coffee to the mills. On the processing side, the number of coffee mills continues to increase, growing from 272 in MY 2018/2019 to 292 in MY 2019/2020. The coffee harvest is concentrated in the months of November to February. However, the harvest starts around August in the lower altitude areas and ends in the higher altitude areas.

According to ICAFE, area is estimated at 93,697 hectares (ha) of planted coffee based on information from 2017. A new area planted survey has not been conducted recently. The data previously available was from a 2014 agricultural census conducted by the National Institute of Statistics and Census which estimated coffee area at 84,133 ha. The following table breaks down area planted by region:

Coffee Region	**Area (ha)**
Coto Brus	10,260.5
Los Santos	27,944.3
Perez Zeledón	13,314,8
Turrialba	4,917.2
Central Valley	13,326.6
Occidental Valley	21,992.1
Northern Zone	1,941.9
National Total	**93,697.3**

Coffee production increased marginally (0.4 percent) during MY 2020/2021 to 1,472,202 60-kg bags. Although the crop was originally forecast at a higher level, the conditions caused by the COVID-19 pandemic, especially in relation to the availability of migrant workers, resulted in the late arrival of workers to some of the production areas. Although there were no actual losses of fruit, the overripened coffee cherries in those areas, caused the total harvested volume to decline as compared to normal conditions.

Rainfall in 90 percent of the coffee areas was adequate for flowering during 2020. During the fruit development period, rainfall was appropriately distributed favoring the fertilization of the plantations at the right time. However, the larger amounts of rain resulting from “La Niña”, promoted a higher incidence of diseases such as coffee rust, causing weaker output in some high production potential plantations.

The cyclical effect of production was not as clear as in some other years because of the changing weather patterns and the impact of foliar diseases in some of the plantations. The region of Los Santos for instance, kept the growing production trend shown over the last two crops, without a clear cyclical effect. However, the Southern region of Coto Brus, continued to show lower production resulting from negative weather conditions and a higher incidence of diseases. In the Western Central Valley production increased as a result of timely rainfall which caused stronger flowering, as compared to the two previous crops.

During 2021, the flowering occurred earlier in the year, but mostly in late March and early April. According to ICAFE, the flowering in the coffee plantations followed a normal pattern which will cause a prolonged and disperse harvest. This process is perceived as positive since it may facilitate the harvest under the continuing challenging conditions due to the COVID-19 pandemic. At this time, Costa Rica is suffering the highest number of daily COVID-19 cases since the start of the pandemic, and the health system is under enormous pressure.

Based on the above and the observed preparation of the plantations, the MY 2020/2021 crop is expected to be slightly higher, reaching 1,485,000 60-kg bags.

Consumption:

Local consumption has fluctuated during the last few years as the local roasters have taken advantage of international price fluctuations and market opportunities. Costa Rica has a population of 5.1 million people and population growth has slowed down to less than one percent per year. The COVID-19 pandemic has not affected local coffee consumption, as consumption shifted from restaurants and other institutional outlets to the home market. Restaurants, cafeterias, hotels, and other outlets were closed during different periods of time or were required to operate under limited conditions. The tourism sector, with over three million foreign visitors per year in 2019, remains depressed to this date.

Based on information from ICAFE for coffee sales for local consumption, and assuming that most of the imported coffee is consumed in the local market, local consumption for MY 2019/2020 reached 455,000 bags. Consumption is expected to increase slightly to 460,000 bags during MY 2020/2021, as the economy slowly recovers.

Costa Rica started to import coffee about thirteen years ago, mostly from other Central American countries (Honduras and Nicaragua), to meet part of its consumption needs. Also, because most of Costa Rica's coffee is priced at a premium in the international markets, most of the locally produced coffee is exported, with only the lower price coffee remaining in the local market. Since 2008, imports have fluctuated widely, responding to market opportunities related to price, availability, and logistics. However, coffee imports during MY 2018/2019 and MY 2019/2020 exceeded 200,000 bags in both periods.

Trade:

Export volume is expected to increase from 1,139,618 60-kg bags in MY 2019/2020 to 1,200,000 bags in MY 2020/2021. Coffee sold for export during MY 2019/2020 was valued at $332.5 million, or 22.4 percent higher than the previous marketing year, as a result of higher average prices and higher export volume.

According to ICAFE, the average sale price of Costa Rican coffee during MY 2020/2021 has remained high at about $262.3 per bag, as compared to an average of $264.8 per bag during the previous marketing year. Coffee exports during February and March of this year were lower than normal but have already rebounded. According to ICAFE, this behavior is explained by the delay in the harvest of the current crop. Local sources note that the quality of the coffee, the environmentally friendly production conditions, the high level of product traceability, and the fair distribution of income generated by the activity, confer this premium to Costa Rica's coffee.

The United States is the main buyer of Costa Rica's coffee (49.1 percent), followed by Belgium (19.7 percent), Germany (5.5 percent), and South Korea (3.9 percent). The United States has been the main destination for Costa Rica's coffee for several years now. Exports to the United States increased from 550,255 bags in MY 2018/2019 to 559,437 bags in MY 2019/2020 (1.7 percent). Belgium continues to be the second largest export market.

Costa Rica's exports are almost exclusively raw material, that is, coffee is exported "not roasted or decaffeinated".

Production, Supply and Distribution Statistics:

Coffee, Green	2019/2020		2020/2021		2021/2022	
Market Year Begins	Oct 2019		Oct 2020		Oct 2021	
Costa Rica	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	94	94	94	94	0	94
Area Harvested (1000 HA)	89	89	89	89	0	89
Bearing Trees (MILLION TREES)	385	385	385	385	0	385
Non-Bearing Trees (MILLION TREES)	21	21	21	21	0	21
Total Tree Population (MILLION TREES)	406	406	406	406	0	406
Beginning Stocks (1000 60 KG BAGS)	226	226	218	299	0	281
Arabica Production (1000 60 KG BAGS)	1472	1466	1500	1472	0	1485
Robusta Production (1000 60 KG BAGS)	0	0	0	0	0	0
Other Production (1000 60 KG BAGS)	0	0	0	0	0	0
Total Production (1000 60 KG BAGS)	1472	1466	1500	1472	0	1485
Bean Imports (1000 60 KG BAGS)	100	192	120	170	0	150
Roast & Ground Imports (1000 60 KG BAGS)	5	5	5	5	0	5
Soluble Imports (1000 60 KG BAGS)	5	5	5	5	0	5
Total Imports (1000 60 KG BAGS)	110	202	130	180	0	160
Total Supply (1000 60 KG BAGS)	1808	1894	1848	1953	0	1928
Bean Exports (1000 60 KG BAGS)	1125	1130	1250	1200	0	1220
Rst-Grnd Exp. (1000 60 KG BAGS)	10	10	10	10	0	10
Soluble Exports (1000 60 KG BAGS)	0	0	0	0	0	0
Total Exports (1000 60 KG BAGS)	1135	1140	1260	1210	0	1230
Rst,Ground Dom. Consum (1000 60 KG BAGS)	450	450	405	455	0	455
Soluble Dom. Cons. (1000 60 KG BAGS)	5	5	5	5	0	5
Domestic Consumption (1000 60 KG BAGS)	455	455	410	460	0	460
Ending Stocks (1000 60 KG BAGS)	218	299	178	281	0	236
Total Distribution (1000 60 KG BAGS)	1808	1896	1848	1953	0	1928
(1000 HA), (MILLION TREES), (1000 60 KG BAGS)						

Export Trade Matrix, Coffee, Green

Costa Rica Coffee, Green 60 kg bags	
Time Period	**2019/2020**
Exports to:	
United States	559,437
Belgium	224,033
Germany	63,180
South Korea	44,413
Italy	32,481
Spain	27,278
Others not Listed	188,796
Total	1,139,618

Attachments:

No Attachments