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Post: Bogota

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Report Highlights:

In MY 2024/2025, Colombian coffee production is anticipated to reach 12.4 million bags of green bean equivalent (GBE). However, the pace of production recovery is hindered by El Niño, which has led to increased rates of borer infestation and affected some crops. A compensation mechanism has been established to provide direct financial assistance to coffee growers. Meanwhile, Colombian coffee exports are expected to rise to 12 million bags GBE in MY 2024/2025, with the United States maintaining its status as a key export destination.

Commodities

Coffee, Green

Table 1. Colombia, Coffee, Green, Production, Supply and Distribution

Coffee, Green Market Year Begins Colombia	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	800	800	800	800	0	800
Area Harvested (1000 HA)	640	600	640	640	0	640
Bearing Trees (MILLION TREES)	3500	3500	3500	3500	0	3500
Non-Bearing Trees (MILLION TREES)	1000	1000	1000	1000	0	1000
Total Tree Population (MILLION TREES)	4500	4500	4500	4500	0	4500
Beginning Stocks (1000 60 KG BAGS)	760	760	845	738	0	603
Arabica Production (1000 60 KG BAGS)	10700	10700	11500	12200	0	12400
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)	10700	10700	11500	12200	0	12400
Bean Imports (1000 60 KG BAGS)	2100	2000	2300	1500	0	1670
Roast & Ground Imports (1000 60 KG BAGS)	5	5	5	5	0	5
Soluble Imports (1000 60 KG BAGS)	180	173	200	170	0	180
Total Imports (1000 60 KG BAGS)	2285	2178	2505	1675	0	1855
Total Supply (1000 60 KG BAGS)	13745	13638	14850	14613	0	14858
Bean Exports (1000 60 KG BAGS)	9600	9600	10800	10600	0	10800
Rst-Grnd Exp. (1000 60 KG BAGS)	200	200	200	180	0	200
Soluble Exports (1000 60 KG BAGS)	900	900	1000	1000	0	1000
Total Exports (1000 60 KG BAGS)	10700	10700	12000	11780	0	12000
Rst,Ground Dom. Consum (1000 60 KG BAGS)	1600	1600	1620	1620	0	1640
Soluble Dom. Cons. (1000 60 KG BAGS)	600	600	610	610	0	625
Domestic Consumption (1000 60 KG BAGS)	2200	2200	2230	2230	0	2265
Ending Stocks (1000 60 KG BAGS)	845	738	620	603	0	593
Total Distribution (1000 60 KG BAGS)	13745	13638	14850	14613	0	14858

Data source: FAS historical data series. Post estimates for 2024/2025.

Production

For marketing year (MY) 2024/2025, which runs from October 2024 to September 2025, FAS Bogota (Post) forecasts Colombian coffee production will continue recovering, reaching 12.4 million bags¹ green bean equivalent (GBE), a 1.6 percent increase compared to the previous year's revised estimate.

¹ One bag equals 60 kilograms.

The emergence of drier conditions and heightened sunlight intensity due to the El Niño weather phenomenon has stimulated coffee flowering in key producing regions during the initial quarter of 2024. A good flowering season helps to determine the size of the harvest (See Figure 1). Since April 2024, rainfall has returned, facilitating the filling, or growth of the coffee beans for the second half of 2024 harvest. However, overall coffee production growth remains modest as coffee growers, influenced by elevated coffee prices, decreased coffee renovation areas in 2022, consequently leading to reduced productivity levels. Moreover, the arrival of dry conditions attributed to the El Niño effect in the first months of 2024 has adversely impacted young coffee trees, which rely more on more water availability during their early growth stages. Additionally, coffee plantations situated in lower altitudes have been adversely affected by dry climatic conditions as it has increased coffee borer outbreaks and production of smaller and unfilled coffee beans which are known as *averanado* coffee.

In MY 2023/2024, Post revises coffee production up to 12.2 million bags GBE, 6.1 percent higher than the 11.5 million bag estimate. In the first seven months of MY 2023/2024, coffee production has increased nearly 16 percent as weather conditions improved in the first half of the year due to the end of La Niña weather phenomenon. Although coffee production will continue recovering, production growth remains modest as extreme drought conditions may impact both yield and harvest quality due to persistent coffee borer outbreaks that cause drastic economic loss and diminished cup quality. According to industry, coffee borer infestation rates have increased from an average of 3 percent to up to 6 percent in some regions.

Figure 1. Coffee plantation during flowering period in Caicedo municipality in Antioquia Department in April 2024.



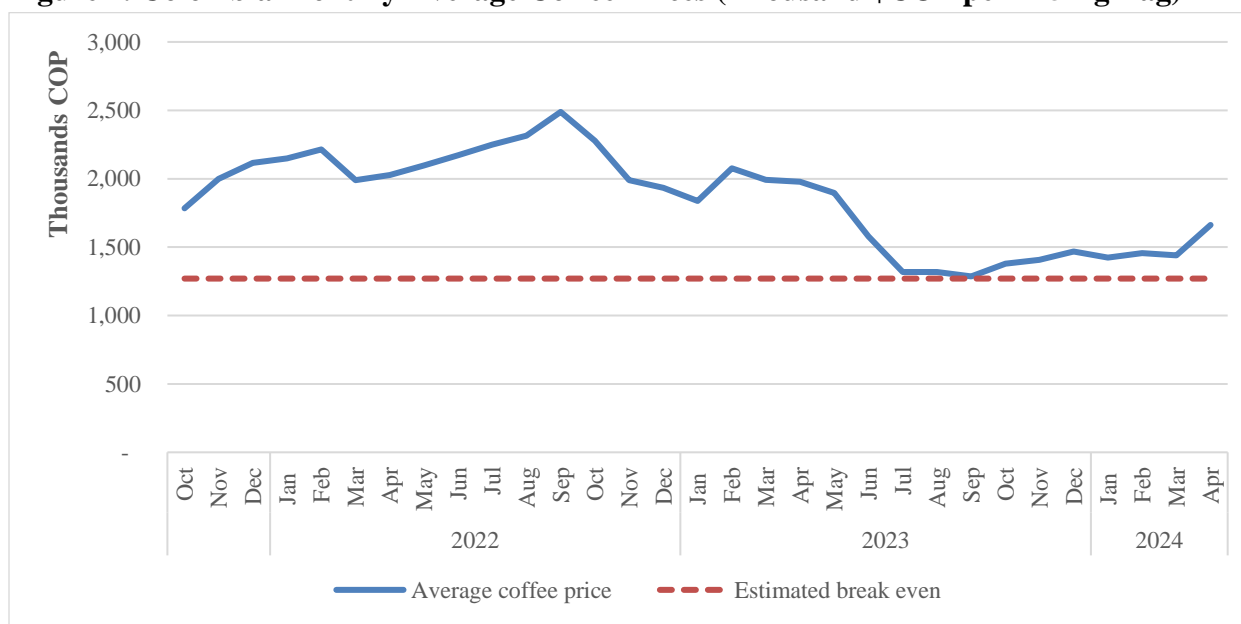
Source: Coffee Committee of Antioquia Department, April 2024.

Colombian domestic prices depend on the New York international price and the Colombian peso (COP) to U.S. dollar currency exchange rate. Lower international prices and modest revaluation of the

Colombian peso have put downward pressure on domestic Colombian coffee prices. Despite easing fertilizer costs, the cost of production remains high, primarily due to elevated labor costs needed to control borer outbreaks. To seek higher farmgate prices, Colombian coffee producers look to produce high-quality (specialty grade) coffee, utilizing sustainable certification models to receive improved market price differentials. According to the Colombian Coffee Producers Federation (Fedecafe), about 40 percent of total Colombian coffee production receives significant price premiums for being specialty coffees.

The graph below illustrates the monthly internal price paid to growers per 125-kilogram bag. As a reference, the estimated average production cost is illustrated by the red dotted line.

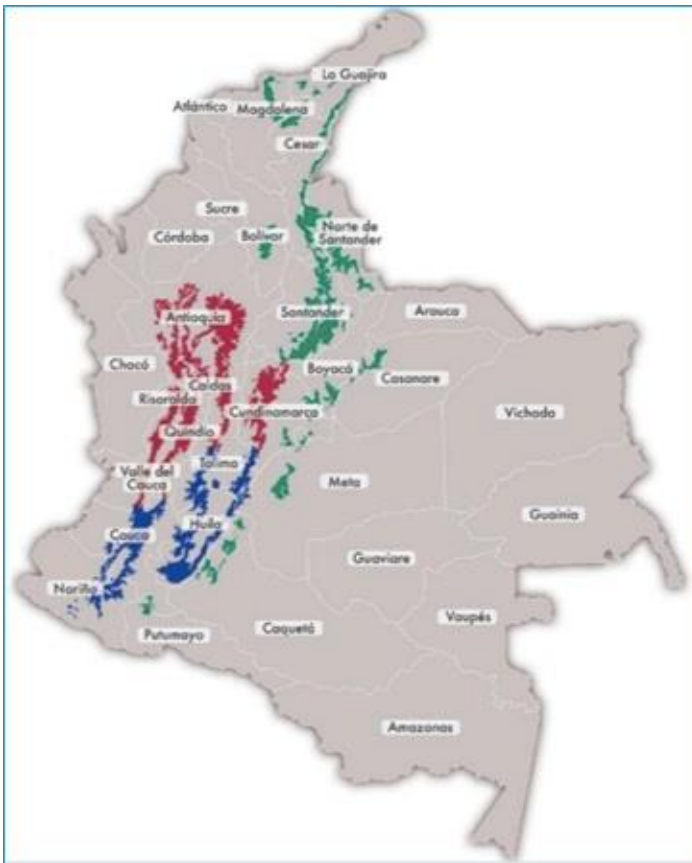
Figure 2. Colombia Monthly Average Coffee Prices (Thousand \$COP per 125-kg Bag)



Data Source: Colombian Coffee Producers Federation (Fedecafe).

In calendar year (CY) 2023, Fedecafe estimates there are approximately 840,000 hectares of coffee planted in Colombia by nearly 550,000 families, of which 95 percent produce on less than 5 hectares of land and are responsible for more than 60 percent of total coffee production in Colombia. In a coffee production calendar year, there are two distinct peak harvest periods: the primary harvest period extends from October to December, delineated by the blue regions in the graph below (Figure 3). The secondary harvest period, referred to as the "mitaca" crop, occurs between April and June, indicated by the green regions. This secondary harvest is predominantly concentrated in the central coffee region of Colombia. The red region in the graph below has a harvest distributed year-round.

Figure 3. Colombian Coffee Producing Regions



Source: Coffee Research Center – CENICAFE, 2023.

According to Fedecafe, in CY 2023, there are 682,972 hectares planted with “technified” young crops (between 3 to 9 years old), meaning planted using modern techniques such as the use of improved seeds. 152,950 hectares are planted with technified old crops (more than 9 years old), and 5,430 hectares are planted with traditional crops. The average age of coffee trees is 6.81 years. Notably, 87 percent of Colombia's coffee area is planting with rust-resistant varieties, a remarkable advancement from the 35 percent reported in 2010. While planting density increased to 5,316 trees per hectare, a record figure, productivity has been decreasing due to adverse weather conditions, but remains above 14 bags GBE per hectare.

Consumption

In MY 2024/2025, coffee consumption is forecast to experience a marginal increase, reaching 2.3 million bags GBE, 1.6 percent higher than the previous year. This slow increase is attributed to moderate improvements in Colombia's economic growth projections for 2024-2025. The Central Bank of Colombia's January 2024 predictions suggest a more sustainable level of economic activity, with inflation rates expected to decrease to 5.5 percent in 2024 and further to 3.8 percent in 2025. Projected economic growth is anticipated to reach 1.5 percent in 2024 and exceed 2.0 percent in 2025.

For the current market year 2023/2024, no changes are anticipated in Colombia's domestic coffee consumption, which is expected to remain at 2.2 million bags GBE. This lack of growth is attributed to the prevailing economic downturn and persistent high inflation rates, which are likely to impede significant consumption growth in the near term.

Fedecafe continues to promote domestic consumption through its marketing campaign called “*Look for the Colombian Coffee Quality Triangle*”. The triangular “*Café de Colombia*” logo is a seal that guarantees that the content of the package is 100 percent Colombian origin coffee, produced with the highest local standards, and not mixed with other origins of inferior quality. The use of the 100 percent “*Café de Colombia*” logo is subject to a brand license agreement and is linked to obtaining the authorization of use of the denomination or origin and the protected geographical indication. There are approximately 850 brands that have this triangular logo.

Colombia's per capita coffee consumption is estimated at 2.8 kg, significantly lower than other coffee producing countries². Despite growing interest in specialty coffee, most Colombian households prefer soluble coffee and low-cost coffee mixes.

Trade

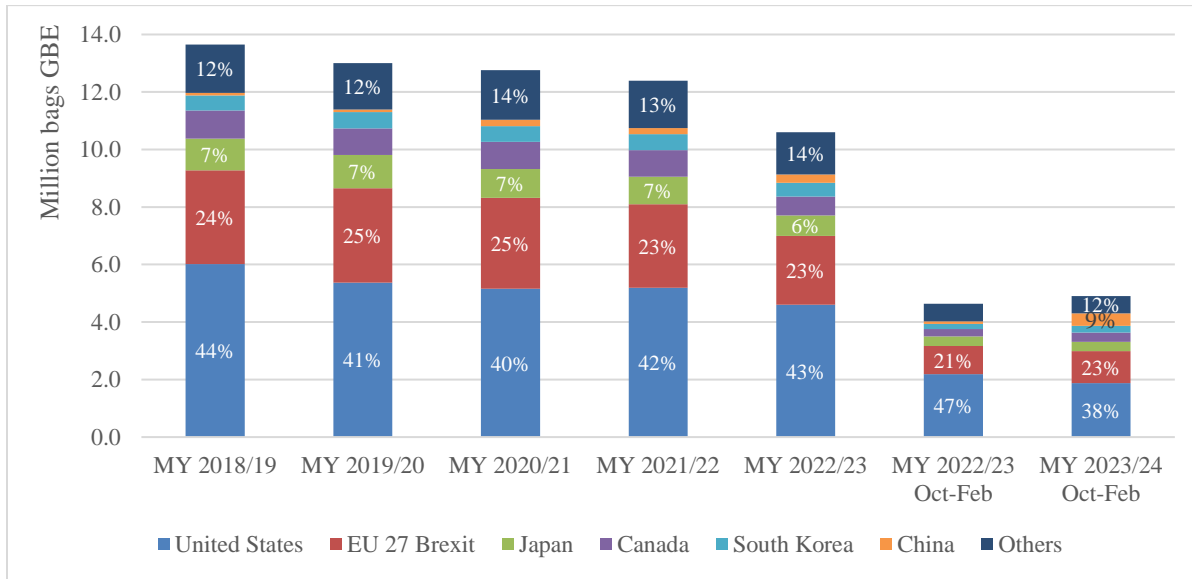
In MY 2024/2025, Colombian coffee exports are forecast to increase 1.9 percent from the previous year's revised estimate to 12.0 million bag GBE given a projected recovery in local production. For MY 2023/2024, Post revises coffee exports lower to 10.7 million bags GBE. Tightening supplies have resulted in lower exports in the current market year.

Colombian coffee is exported to more than 40 countries. The United States remains the major export destination, with a more than 40 percent market share, followed by the European Union, Japan, and Canada (Figure 4). From October to February of MY 2023/2024, exports to China have dramatically increased (432 percent) accounting for 9 percent of Colombia's total exports and reaching nearly 440,000 bags GBE, driven by increasing demand from the Chinese market.

In contrast, coffee exports to the United States have decreased 14 percent in the same period year-on-year. However, Procafecol, the company overseeing the Juan Valdez brand, recently signed a strategic partnership with [Green Coffee Company Holdings](#) to bolster its foothold in the North American market. This strategy aims to distribute Juan Valdez roasted coffee product across supermarkets in the United States and Canada, in addition to institutional retail channels operating within both countries. Procafecol's objective is to amplify Juan Valdez brand's local presence by leveraging its new distributor. On average, Fedecafe exports account for 18 percent of the total coffee exports, with the remaining 82 percent being handled by private companies.

² Most coffee growing countries consume more than 6 kg per capita.

Figure 4. Colombian Coffee Exports by Destination (MY) (Thousand Bags GBE)



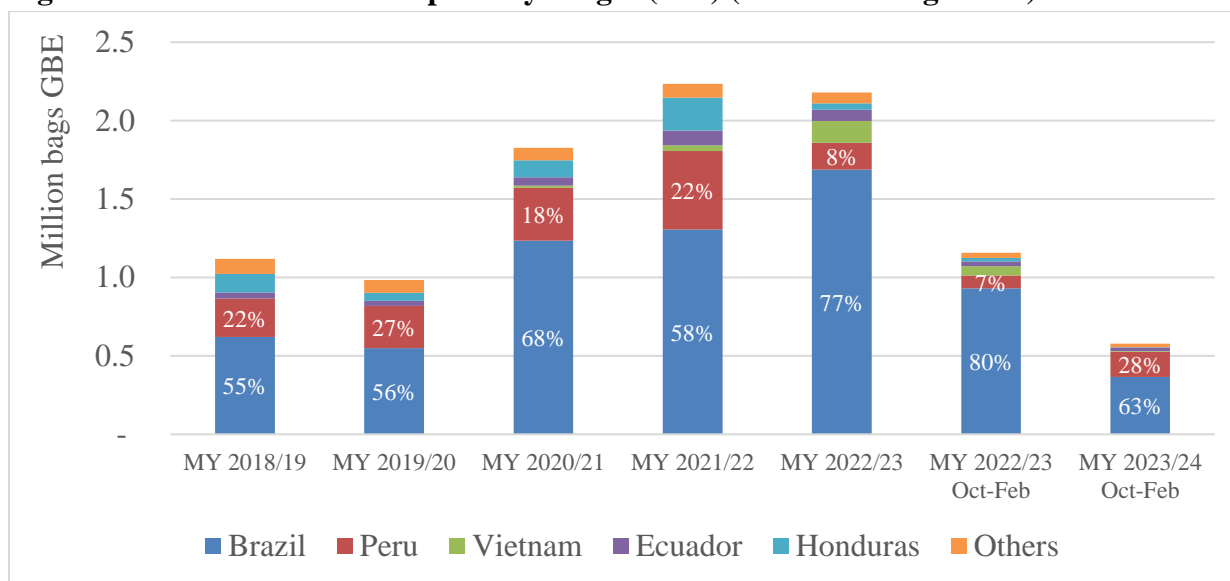
Data Source: Colombian Customs Authority (DIAN); Trade Data Monitor.

Note: Percentage indicates market share.

Coffee imports for MY 2024/2025 are forecast to increase 10.7 percent to 1.9 million bags GBE following a modest recovery of domestic consumption while Colombian coffee production continues to prioritize export markets. For current MY 2023/2024, revised coffee imports are estimated lower to 1.7 million bags GBE.

Brazil continues to be the top coffee supplier for Colombia. From October 2023 to February 2024, Brazil lost market share and accounted for 63 percent of total imports, while Peru increased its market share (Figure 5). Imports are primarily used to meet the demand for soluble and lesser quality coffees in the market. Colombia primarily imports green coffee (91 percent), followed by soluble coffee (8 percent), and roasted coffee (1 percent).

Figure 5. Colombia: Coffee Imports by Origin (MY) (Thousand Bags GBE)



Data Source: Colombian Customs Authority (DIAN); Trade Data Monitor.

Note: Percentage indicates market share.

Stocks

Market year 2024/2025 ending stocks are forecast to remain almost unchanged at 593,000 bags GBE. There are no government or Fedecafe policies that support large scale carry-over stocks of coffee.

Policy

Colombia's coffee sector has long been a cornerstone of its economic prosperity, sustaining the livelihoods of over 550 thousand producers and their families traducing in significant political influence. Fedecafe represents Colombia's coffee sector and manages its programs under a legal agreement with the Government of Colombia. This agreement is signed every 10 years, and the current one is valid until 2026. Most policy and programs are largely funded by the National Coffee Fund, which operates like a checkoff program, levying \$0.06 per pound of coffee from producers to finance various activities. The majority of growers are affiliated with Fedecafe, benefiting from its array of educational initiatives, technical training, assistance programs, and sales support services.

In response to a continued downward trend in coffee prices, the Coffee Income Compensation Mechanism ([MECIC-2024](#)) was established on April 5, 2024, as part of the Coffee Price Stabilization Fund³ which is part of the National Coffee Fund. The MECIC-2024 initiative offers direct financial support to coffee growers, aiming to mitigate economic difficulties resulting from either declining domestic coffee prices or rising production costs. The MECIC-2024 is operating from May 2 to August

³ The members of the Coffee Price Stabilization Fund are the National Committee of Coffee Growers, and key government officials including the Minister of Finance and Public Credit, the Minister of Agriculture and Rural Development, the Minister of Commerce, Industry, and Tourism, as well as the Director of the National Planning Department.

31, 2024, aligning with first-half 2024 harvest forecasts, and budgetary provisions. Activation triggers when the rolling average of the domestic coffee price falls below the average production cost. The mechanism has not been activated yet, since average coffee prices have surpassed the reference production cost (see Figure 2), which is estimated at \$1,270,000 Colombian pesos (COP) per 125-Kg bag (\$327 per 125-kg bag). As of December 31, 2023, the Coffee Price Stabilization Fund held a reserve totaling \$370 billion COP (approx. \$95 million). More information about MECIC-2024 can be found in [Fedecafe's website](#).

Colombian coffee producers are actively implementing traceability and related measures to comply with the European Union's regulation on deforestation-free products which targets coffee, among other products cultivated in-country.⁴ Colombia annually exports more than 20 percent of its coffee production to the European Union. Based on EU guidelines, exporting countries have an 18-month period beginning July 2023 to implement measures to meet the regulation. According to Fedecafe's President, German Bahamon⁵, over 40,250 kilograms of Rainforest Alliance certified coffee, cultivated without contributing to deforestation, have been successfully exported to the European Union in April 2024. This accomplishment ensures ongoing access to the European market for Colombian coffee.

Attachments:

No Attachments

⁴ See: [European Union Regulation 2023/1115](#) ("Making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation").

⁵ Agronegocios article: [More than 40,250 kilos of Rainforest Alliance coffee were shipped to the European Union, April 2024](#).