



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

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India

Coffee

Annual

2000

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Report Highlights:

India's coffee exports are expected to climb 13 percent in MY2000/01, as high stocks move more coffee onto world markets.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Unscheduled Report

New Delhi [IN1], IN

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India's 2000/01 coffee production is forecast at 4.92 million bags (3.0 million Robusta and 1.9 million Arabica), one percent above record 1999/00 production. Actual results will be largely dependent on the monsoon rains. With the withdrawal of the Coffee Board's monopoly status in 1996 and strong international coffee prices in 1997 and 1998, India's production has increased by nearly 45 percent in five years. Current year production (1999/00) is estimated at a record 4.87 million bags (2.9 Robusta and 2.0 Arabica).

Assuming international prices begin to firm, 2000/01 exports are forecast to climb 13 percent to 3.5 million bags, as rising stocks are expected to encourage traders to move more coffee onto the international market. Current year (1999/00) exports are estimated at 3.1 million bags, down 10 percent from last year's record level. The decline is attributed to lower international prices.

For the past decade India's coffee consumption has been stagnant at 850,000 bags per annum. Proposals to spur domestic consumption include reduction of the 16 percent excise duty imposed on instant coffee and the reduction of the uniform state sales tax on coffee from 8 percent to 4 percent.

While India does not have any restrictions on the export of coffee, permits are required in order for traders to receive exemptions from domestic purchase and sales taxes. India is a member of the Association of Coffee Producing Countries (ACPC) and supports the ACPC coffee retention plan which would require India to retain 22 percent of its Robusta and 11 percent of its Arabica supplies.

It has been proposed that the government-owned State Trading Corporation or Nafed (National Agricultural Cooperative Marketing Federation) purchase the requisite coffee from the domestic market at a minimum support price. The GOI, however, has not indicated that it is prepared to take this action. Concerned with the possibility of imports, the government recently raised the import duty on coffee from 15 percent to 35 percent.

1/ Indian Coffee Board's 2000 pre-blossom estimate

Commodity, Coffee, Green**PSD Table**

PSD Table							
Country:	India						
Commodity:	Coffee, Green						
		1999		2000		2001	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		10/1998		10/1999		10/2000	(MONTH/YEAR)
Area Planted	310	330	310	332	0	335	(1000 HA)
Area Harvested	280	300	290	305	0	310	(1000 HA)
Bearing Trees	495	520	500	525	0	535	(1000 TREES)
Non-Bearing Trees	70	70	75	70	0	65	(1000 TREES)
TOTAL Tree Population	565	590	575	595	0	600	(1000 TREES)
Beginning Stocks	35	35	50	150	0	1070	(1000 60 KG BAGS)
Arabica Production	1615	1615	1985	1985	0	1885	(1000 60 KG BAGS)
Robusta Production	2800	2800	2715	2885	0	3060	(1000 60 KG BAGS)
Other Production	0	0	0	0	0	0	(1000 60 KG BAGS)
TOTAL Production	4415	4415	4700	4870	0	4915	(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	4450	4450	4750	5020	0	5985	(1000 60 KG BAGS)
Bean Exports	3050	3025	2950	2700	0	3000	(1000 60 KG BAGS)
Roast & Ground Exports	0	0	0	0	0	0	(1000 60 KG BAGS)
Soluble Exports	450	425	500	400	0	500	(1000 60 KG BAGS)

TOTAL Exports	3500	3450	3450	3100	0	3500	(1000 60 KG BAGS)
Rst,Ground Dom. Consum	800	750	810	750	0	775	(1000 60 KG BAGS)
Soluble Dom. Consum.	100	100	100	100	0	125	(1000 60 KG BAGS)
TOTAL Dom. Consumption	900	850	910	850	0	900	(1000 60 KG BAGS)
Ending Stocks	50	150	390	1070	0	1585	(1000 60 KG BAGS)
TOTAL DISTRIBUTION	4450	4450	4750	5020	0	5985	(1000 60 KG BAGS)

Export Trade Matrix

Export Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	Jan-Dec		
Exports for	1999		2000
U.S.	9,412	U.S.	
Others		Others	
Italy	37,445		
Russia	30,704		
Germany	28,734		
Belgium	13,891		
Spain	13,078		
Poland	12,346		
Netherlands	5,662		
Slovenia	4,668		
Japan	4,660		
Algeria	4,581		
Total for Others	155,769		0
Others not listed	52,389		
Grand Total	217,570		0

Prices Table

Prices Table			
Country:			
Commodity:			
Year:	1999		
Prices in (currency)	rupees	per (uom)	50 kg
Year	1998	1999	% Change
Jan	4098	3701	-9.7%
Feb	4127	3440	-16.6%
Mar	3852	3502	-9.1%
Apr	4000	3463	-13.4%
May	3689	3421	-7.3%
Jun	3538	3303	-6.6%
Jul	4027	3426	-14.9%
Aug	4027	3211	-20.3%
Sep	4227	3057	-27.7%
Oct	3997	3019	-24.5%
Nov	4295	3092	-28.0%
Dec	4063	3131	-22.9%
Exchange Rate	43.7	(Local currency/US \$)	
Date of Quote	12-May-00	(MM/DD/YY)	