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Report Highlights:

FAS Mumbai forecasts India's MY 2026/27 coffee production (Oct/Sep) at 6.14 million 60-kilogram (kg) bags. Yields, particularly for Arabica, are expected to come under pressure due to excessive rainfall in January and February followed by an extended dry spell during the critical flowering and fruiting stage. Farmgate prices for Arabica and Robusta have declined by 16 percent and 11 percent respectively since October. Despite this change, prices remain at a premium to other origins, though further moderation is expected. The decline in prices is being driven by expectations of higher output in key producing countries and elevated domestic stock levels. Domestic consumption is projected to rise to 1.58 million 60-kg bags, supported by strong demand for soluble coffee. Exports are forecast to increase to 6.2 million 60-kg bags, supported by a higher exportable surplus and the recent implementation of free trade agreements, which are expected to enhance value-added coffee exports.

Production, Supply and Distribution

Coffee, Green Market Year Begins	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	475	475	-	475	-	475
Area Harvested (1000 HA)	434	436	-	435	-	429
Bearing Trees (MILLION TREES)	549	549	-	550	-	549
Non-Bearing Trees (MILLION TREES)	96	96	-	95	-	96
Total Tree Population (MILLION TREES)	645	645	-	645	-	645
Beginning Stocks (1000 60 KG BAGS)	242	242	197	323	-	485
Arabica Production (1000 60 KG BAGS)	1,400	1,762	1,350	1,730	-	1,560
Robusta Production (1000 60 KG BAGS)	4,800	4,297	4,700	4,700	-	4,580
Other Production (1000 60 KG BAGS)	-	-	-	-	-	-
Total Production (1000 60 KG BAGS)	6,200	6,059	6,050	6,430	-	6,140
Bean Imports (1000 60 KG BAGS)	1,245	1,258	1,270	1,270	-	1,320
Roast & Ground Imports (1000 60 KG BAGS)	5	4	3	3	-	3
Soluble Imports (1000 60 KG BAGS)	65	75	60	60	-	67
Total Imports (1000 60 KG BAGS)	1,315	1,337	1,333	1,333	-	1,390
Total Supply (1000 60 KG BAGS)	7,757	7,638	7,580	8,086	-	8,015
Bean Exports (1000 60 KG BAGS)	3,708	3,613	3,560	3,600	-	3,680
Rst-Grnd Exp. (1000 60 KG BAGS)	7	7	6	6	-	9
Soluble Exports (1000 60 KG BAGS)	2,545	2,545	2,420	2,420	-	2,530
Total Exports (1000 60 KG BAGS)	6,260	6,165	5,986	6,026	-	6,219
Rst,Ground Dom. Consum (1000 60 KG BAGS)	400	330	410	415	-	420
Soluble Dom. Cons. (1000 60 KG BAGS)	900	820	950	1,160	-	1,160
Domestic Consumption (1000 60 KG BAGS)	1,300	1,150	1,360	1,575	-	1,580
Ending Stocks (1000 60 KG BAGS)	197	323	234	485	-	216
Total Distribution (1000 60 KG BAGS)	7,757	7,638	7,580	8,086	-	8,015
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Area

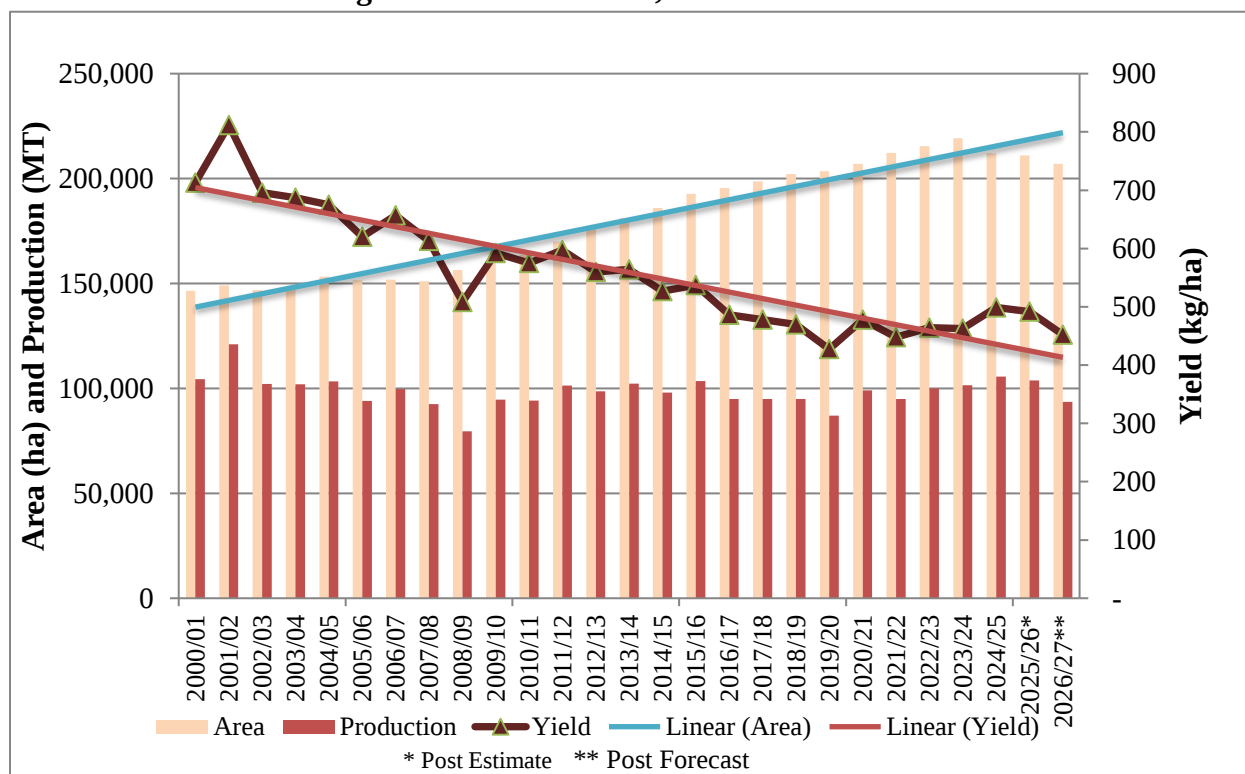
Post forecasts MY 2026/27 coffee planted area at 475,000 hectares and harvested area at 429,000 hectares. Arabica bearing area is projected to decline by two percent year-over-year to 207,000 hectares, while Robusta bearing area is expected to decrease marginally by one percent to 222,000 hectares. The anticipated decline in bearing area is based on assumptions of adverse weather conditions during the production cycle, including excessive rainfall followed by a prolonged dry spell, which may affect flowering and fruit set. Additional factors such as ongoing replanting of aging trees, expected pest and disease pressures particularly in Arabica, and potential short-term crop stress are likely to reduce the productive area.

The southern states of Karnataka, Kerala, and Tamil Nadu account for 76 percent of total planted area. Non-traditional, lower-yielding regions such as Andhra Pradesh, Odisha, and northeastern India have

recorded a marginal increase in planted area. However, expansion remains constrained as most estates are located near protected forest reserves.

Total bearing area is forecast to decline by approximately 1.4 percent from 435,000 hectares last year to 429,000 hectares. Nonetheless, the sector remains largely mature and productive, with only 10 percent of the planted area expected to be under replanting, young crops, or temporarily unproductive.

Figure 1. Arabica: Area, Production & Yield



Source: Coffee Board of India, FAS Analysis

Production

FAS Mumbai forecasts India's MY 2026/27 coffee production at approximately 368,400 metric tons, or about 6.14 million 60-kilogram bags, comprising 1.56 million 60-kg bags of Arabica (93,600 metric tons) and 4.58 million 60-kg bags of Robusta (274,800 metric tons). Arabica output is expected to decline due to below-normal monsoon rainfall combined with unusually high temperatures, which may adversely affect flowering and fruit set. In contrast, Robusta production is projected to remain relatively strong, reflecting its greater resilience to weather variability and accounting for over 75 percent of total production.

The India Meteorological Department's first [long-range outlook for the 2026 southwest monsoon](#) indicates below-normal rainfall at about 92 percent of the long-period average, with a 66 percent probability of below-normal to deficit conditions. Timely rains in March and April supported flowering and early crop development, but recent extreme heat has increased moisture stress and evapotranspiration. Erratic, light showers have been insufficient to stabilize conditions, raising concerns over fruit set and reinforcing the need for adequate blossom (February-March) and backing rains (April-

May) for optimal development. This is particularly significant for Arabica, which is more temperature-sensitive and has higher water requirements compared to Robusta. Under sustained heat stress, Arabica plants may experience reduced photosynthetic efficiency, increased flower drop, and greater irrigation demand.

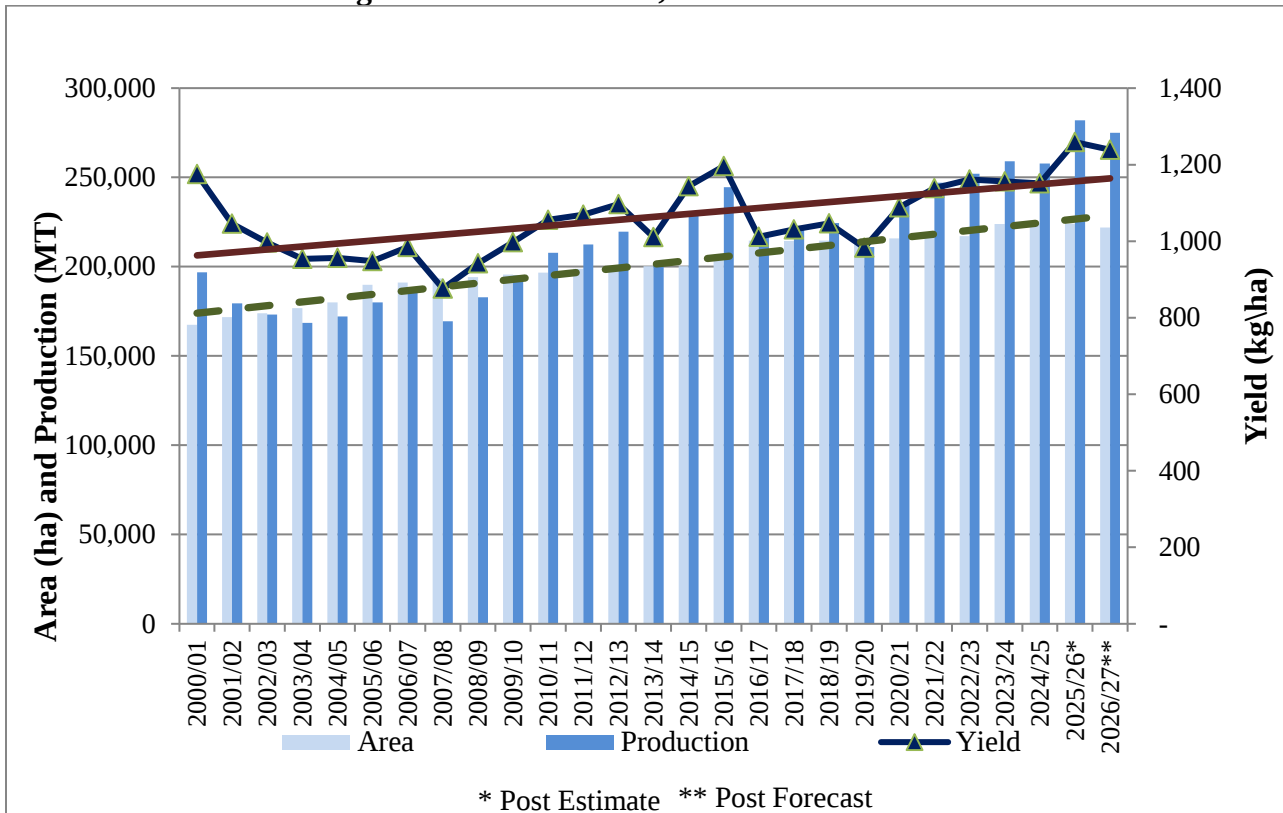
Below-normal rainfall in MY 2026/27 is expected to be broadly favorable for the robusta coffee crop, particularly following two consecutive seasons of excessive rainfall, and will likely lower the incidence of fungal diseases that proliferate under prolonged wet conditions. However, the increasing frequency of erratic rainfall events and extended dry spells after heat events has added to production uncertainty in recent years. For context, Post maintains MY 2025/26 production at around 6.4 million 60-kilogram bags (1.73 million bags of Arabica and 4.7 million bags of Robusta) and revised MY 2024/25 production to six million 60-kilogram bags, aligning with Coffee Board of India data.

Input

Fertilizer shortages remain a key concern, with input costs continuing to rise across the value chain. This is driven by persistent volatility in global fertilizer markets, including supply chain disruptions, elevated energy costs, particularly natural gas used in nitrogen fertilizer production, and geopolitical tensions affecting major exporting countries. In India, reliance on imports for certain nutrients further exposes growers to currency fluctuations and sudden international price spikes, adding to cost uncertainty at the farm level. The main fertilizers used in coffee production are nitrogen, phosphorus, and potassium-based fertilizers.

Most of India's nearly 250,000 coffee growers, about 98 percent of whom are smallholders with farms under 10 hectares, are highly exposed to these cost pressures. Coffee production is labor intensive, with nearly 70 percent of the cost of production attributable to labor. Given the importance of quality, coffee berries must be selectively handpicked as they ripen; Arabica typically matures earlier, requiring 8 to 9 months from flowering to full development, while Robusta takes about 10 to 11 months. Harvesting involves multiple rounds, beginning with fly picking (selective harvesting during early stages of harvest) of ripe cherries, followed by 4 to 5 main pickings at 10-to-15-day intervals and a final harvest. However, labor availability continues to be a challenge, leading some growers to reduce farm processing and instead sell cherries directly to processors on cash basis to manage costs. Rising input expenses are partly cushioned for some farmers by income from intercropped pepper and arecanut. At the same time, after relatively good profitability over the last two years, many planters have reinvested in estates, focusing on high yielding, disease and pest-resistant varieties, particularly Robusta, as well as improving farm infrastructure such as storage facilities.

Figure 2. Robusta: Area, Production and Yield



Source: Coffee Board of India, FAS Analysis

Figure 3. India Production Trend

Marketing Year 2025 from October - September

India ranks #7

10 Year Average
MY 2016-2025

5.67 Million 60 KG
Bags

10-Year Compound
Average Growth

2% MY 2016-2025

2024/2025
Production

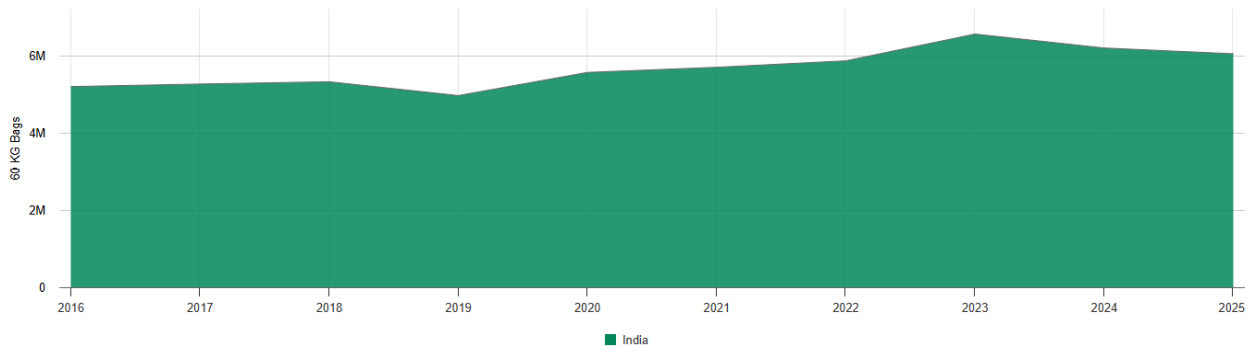
6.2 Million 60 KG Bags

2025/2026
Production

6.05 Million 60 KG
Bags

Year over Year
% Change

-2%



Source: USDA/FAS

Table 1. Rainfall Statistics for Coffee Growing Regions in Karnataka and Kerala

State/District	Winter (Jan-Feb) 2026				Pre-Monsoon (Mar-May) 2026*			
	Actual	Normal	Departure from Normal		Actual	Normal	Departure from Normal	
	(in mm)	(in mm)			(in mm)	(in mm)		
Karnataka								
Chikmagalur	20	6	244%	Large Excess	54	51	7%	Normal
Kodagu	28	10	177%	Large Excess	71	76	-7%	Normal
Hassan	6	6	2%	Normal	42	47	-12%	Normal
State Total	6	5	12%	Normal	37	30	22%	Excess
Kerala								
Wayanad	37	11	235%	Large Excess	37	72	-48%	Deficit
Travancore	39	27	48%	Excess	67	143	-53%	Deficit
Nelliampathies	50	11	347%	Large Excess	26	72	-64%	Largely Deficit
State Total	46	21	116%	Large Excess	61	99	-38%	Deficit

*Rainfall data from March 1 - April 20, 2026

Source: Indian Meteorological Department, Government of India

Yields

For MY 2026/27, Arabica yields are projected to decline by eight percent year-on-year to 452 kilograms per hectare, while Robusta yields are expected to fall marginally by two percent to 1,239 kilograms per hectare, although still above the three-year average. Arabica underperformance is attributed to aging trees, pest and disease pressure such as white stem borer, greater dependence on rainfed conditions, and lower input intensity. Between 2022 and 2024, average yields stood at 475 kilograms per hectare for Arabica and 1,156 kilograms per hectare for Robusta. Robusta yields remain about 2.3 times higher than Arabica, reflecting its greater resilience and productivity, while Arabica is more sensitive to altitude, pest, and climate variability. The interval between *blossom showers* - the initial rains that trigger flowering and *backing showers* which follow to support fruit set, is widening, although planters have made provisions for irrigation. A clearer picture of crop conditions is expected by the end of May. Farmers note that coffee plants generally respond well to stress conditions as these can encourage a shift from vegetative to reproductive growth. Coffee plants often respond well to moderate stress, which encourages flowering and more uniform fruit set, especially after a dry spell followed by rain. Mild stress can also improve bean quality and promote stronger root systems, though excessive stress can harm yields.

Stock

Over the last two years, coffee planters have recorded good profits and have reinvested in high-yielding varieties as well as estate improvements, including enhanced storage capacity. Trade sources indicate that farmers typically hold about 10 to 15 percent of stock throughout the season. Most shipments between January and April 2026 were drawn from old crop inventories carried over from the previous season. Lower rainfall levels have supported longer storage periods; however, in years with rainfall

exceeding 2,540 millimeters, there is a risk of parchment (thin, paper protective layer that surrounds the coffee bean after processing) absorbing excess moisture and quality deterioration.

At the same time, Indian coffee prices have been trading at a premium, and expectations of a larger crop in other major producing countries are influencing market sentiment. As a result, domestic stocks may be higher than earlier anticipated, estimated in the range of 15,000 to 17,000 metric tons. Additionally, a significant portion of the old crop was procured at higher prices, making it difficult for traders to liquidate inventories at current market levels.

India Coffee Production Overview

In 2024, India ranked as the world's seventh-largest coffee producer, after Brazil, Vietnam, Colombia, Indonesia, Ethiopia, and Uganda. Approximately 95 percent of India's coffee production is exported, with green coffee accounting for about 59 percent of total exports and instant (soluble) coffee making up the remaining 41 percent.

Indian coffee is typically cultivated under a two-tier shade canopy of evergreen leguminous trees and is often intercropped with spices and fruit crops such as pepper, cardamom, vanilla, orange, and banana. Arabica is primarily grown at elevations between 700 and 1,200 meters above sea level and can be processed using either the natural ("cherry") or washed ("parchment") methods where coffee is processed and dried but still retains its thin, papery outer layer (called the parchment or endocarp). Drying is carried out on patios, raised tables, or through mechanical dryers on larger estates. Arabica coffee thrives at higher altitudes but is more vulnerable to pests and diseases. Robusta, on the other hand, grows well at lower elevations, is more pest- and drought-resistant, and contains roughly twice the caffeine content of arabica. Because of this, robusta is commonly used in commercial coffee blends and instant coffee production, while arabica is favored for freshly brewed coffee, especially in more developed markets. Overall, India's coffee production comprises about one-third arabica and two-thirds robusta. Over the longer term, [government data](#) indicate that India's coffee production has grown steadily, recording a compound annual growth rate, CAGR, of 2.05 percent between 2021/22 and 2024/25.

Policy

The Coffee Board, through its Integrated Coffee Development Project (ICDP), implements a range of initiatives to support India's coffee sector. These activities include replantation of old and senile bushes, development and distribution of improved high yielding varieties, support for value addition, participation in international trade fairs and events, organization of buyer seller meets, incentives for export of high value and value-added coffee, capacity building and entrepreneurship development programs, as well as coffee tasting sessions and barista training initiatives.

India's coffee industry is on a strong growth trajectory, with the overall market projected to expand at a compound annual growth rate of 8.9 percent by 2028. The out-of-home coffee segment is expected to grow even faster at 15 to 20 percent annually, reaching an estimated value of \$2.6 to \$3.2 billion by 2028. In addition, the Coffee Board of India has set an ambitious long-term target of increasing national coffee production to 900,000 metric tons by 2047, through a combination of productivity gains, area expansion, and value-chain improvements. This includes replanting old and low yielding bushes with high-yielding, climate-resilient varieties, promoting better agronomic practices (irrigation, pruning, soil

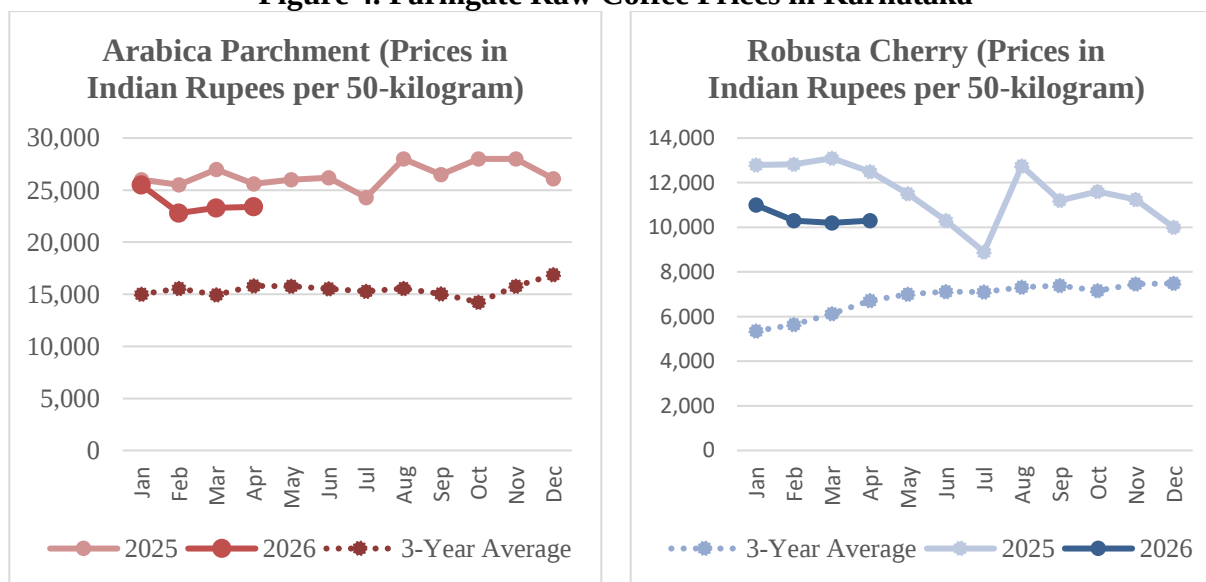
health), and expanding cultivation into non-traditional region, reinforcing India’s positioning in the global coffee landscape.

Consumption

Post forecasts MY 2026/27 domestic consumption at 1.58 million 60-kilogram bags (94,800 metric tons), supported by rising demand for soluble coffee. Household consumption of soluble coffee is expected to account for a significantly larger share of domestic consumption, rising to around 73 percent next year. Domestic soluble coffee manufacturers recorded double digit growth in the previous year and remain optimistic about continued expansion, particularly as India’s per capita coffee consumption of 0.04 kilograms remains well below the global average of 1.3 kilograms.

Overall coffee consumption is projected to remain steady in 2026/27, driven by strong uptake among younger consumers and an expanding urban coffee culture. Specialty coffee is also performing well domestically, with estate branded coffees increasingly commanding prices comparable to export levels, enabling producers to capture premium value. Growth is further supported by rising home consumption, the influence of digital media and social platforms, and the emergence of social hobby communities that are shaping lifestyle consumption patterns. At the same time, the rapid expansion of specialty cafés across cities such as Bengaluru, Mumbai, and Jaipur is deepening consumer engagement with coffee, with greater interest in origin, processing, and brewing methods. Emerging formats such as freeze-dried coffee are also gaining traction, reinforcing the shift of coffee from a simple beverage to a craft driven and experience-oriented category.

Figure 4. Farmgate Raw Coffee Prices in Karnataka



* Exchange rate equals Rupees 92.99 per dollar as of April 20, 2026

Source: Coffee Board of India

Exports

Post forecasts that MY 2026/27 coffee exports will rise by three percent to 6.22 million bags (373,140 metric tons), driven by higher exportable surplus and strong demand for soluble coffee exports. The export growth is supported by firm demand from key markets, supply constraints in major producing

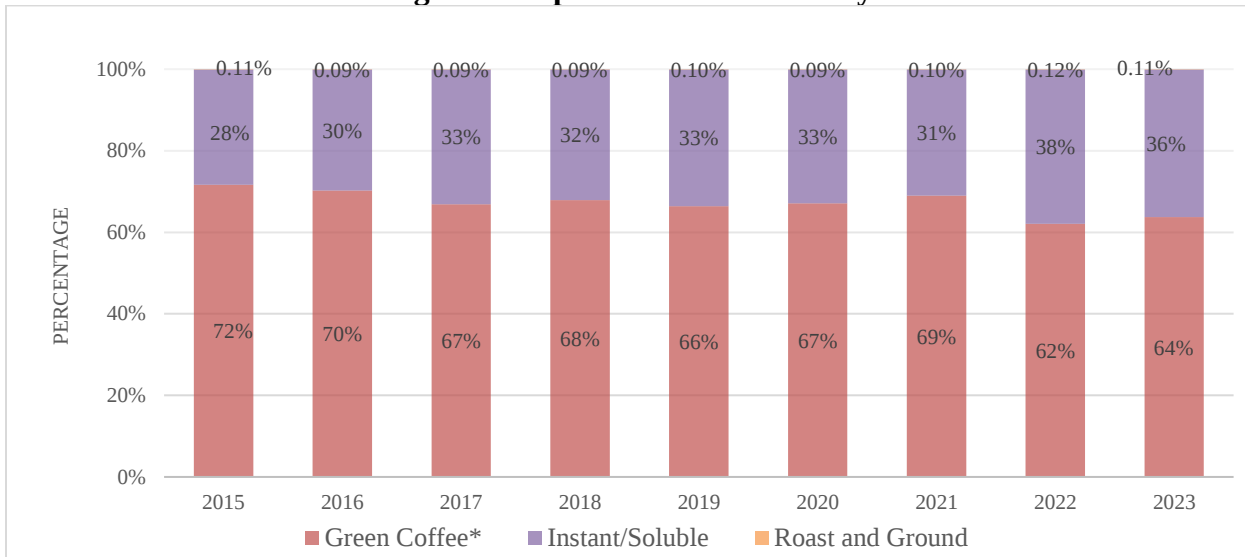
countries, and a shift toward higher-value varieties. A weaker Indian rupee is also expected to support export competitiveness by improving realizations for exporters and partially offsetting the impact of elevated domestic prices. Italy remains the major buyer for Indian coffee, followed by Germany, Russia, Belgium, and the United Arab Emirates. Indian coffee is now exported to more than 125 countries, with coffee exports expanding at a compound annual growth rate of 20 percent. Approximately 61 percent of shipments originate from the Mangalore port in Karnataka, and Indian coffee is being sold at a premium in international markets.

Recent geopolitical developments have had a mixed impact, though India has benefited from tighter global supplies and disruptions in competing origins. The surge in Indian shipments coincided with a sharp drop in exports from Vietnam, the world's largest Robusta exporter, due to the extended Lunar New Year holiday period, allowing Indian exporters to gain market share, particularly in Robusta and soluble coffee. Limited availability of Uganda's crop further supported higher shipments from India. Exports in MY 2025/26 (October-January) were 26 percent higher than the previous year (refer figure 7), driven by a 35 percent surge in green bean exports and 17 percent higher shipments of soluble coffee.

However, several challenges exist. Indian coffee prices are significantly higher than competing origins from Vietnam and Indonesia, and high premiums could pose challenges to exports despite recent prices being lower than last year. With premiums for Ugandan coffee rising, African products have emerged as a competitor for Indian Robustas in the European market. Additionally, there has been a significant slowdown in the last 20 days. Freight costs to the Middle East have surged dramatically, from \$700-\$1,200 per 20-foot container in January/February to \$1,500-\$2,800 in (Month), with occasional short-term spikes higher due to war risk surcharges, insurance costs, and vessel rerouting. Some buyers are attempting to use shipment delays as a tactic to renegotiate price terms. Due to congestion in the Middle East, unloading is slow and delayed, leading to delays in receiving empty containers, with costs reaching \$2,000 per 20-foot container plus \$400-\$500 for insurance. However, freight costs to Europe remain unchanged. Trade data indicates that about 11-12 percent of India's total coffee exports in green bean equivalent go to the Middle east, the second-largest regional market after Europe (44-45 percent).

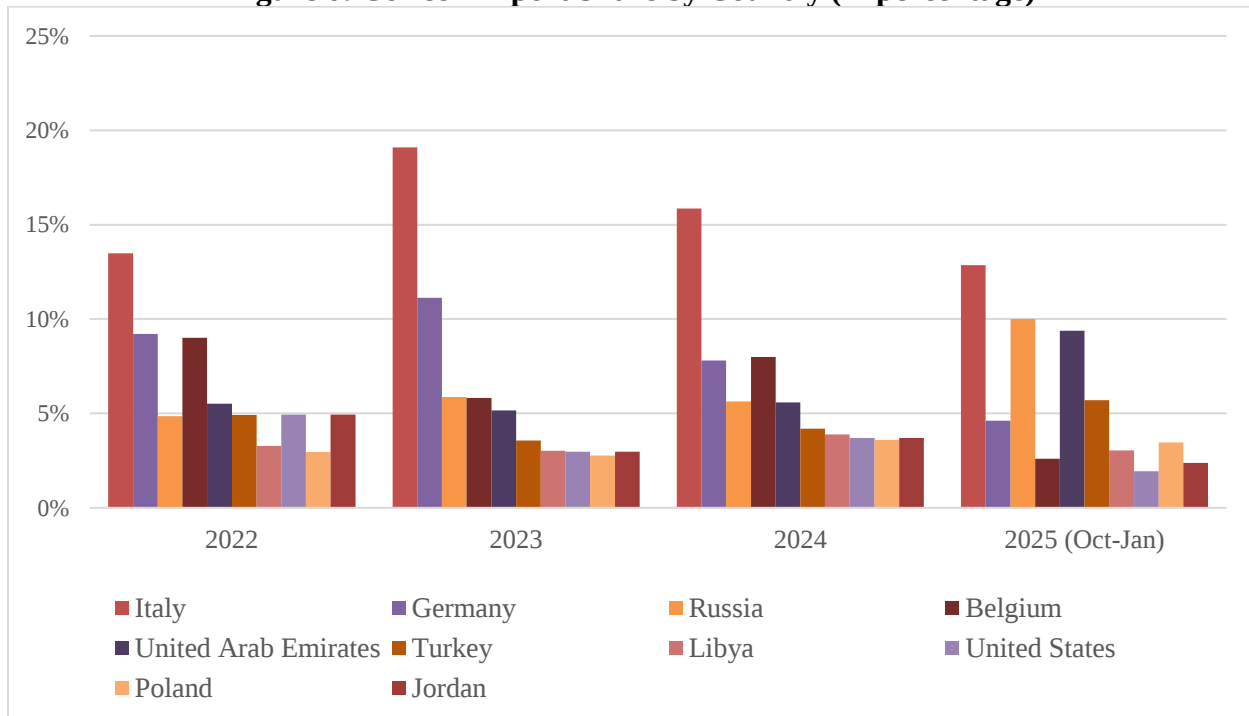
Trade agreements are expected to provide significant opportunities for Indian coffee exports. The recently concluded India-UK Comprehensive Economic and Trade Agreement (CETA) offers tariff advantages for Indian value-added coffees, particularly instant coffee, with duty-free access for roast and ground and instant coffee. The United Kingdom currently accounts for 1.7 percent of India's coffee exports. The India-European Free Trade Association (EFTA) Trade and Economic Partnership Agreement (TEPA), effective from October 1, 2025, provides zero percent duty on all coffee exports from India to Switzerland, Norway, and Iceland. These agreements enhance export opportunities for value-added coffee products and enable Indian exporters to compete more effectively in premium European markets. The UK and EU already had zero percent tariff on green beans, but the new agreements are particularly beneficial for soluble coffee. Europe has emerged as a more stable trading partner with increased inquiries, and Italy, the top destination, uses almost 60 percent of imported Indian coffee domestically while 40 percent is processed for private label manufacturers for re-exports.

Figure 5. Export Share of Coffee by Forms



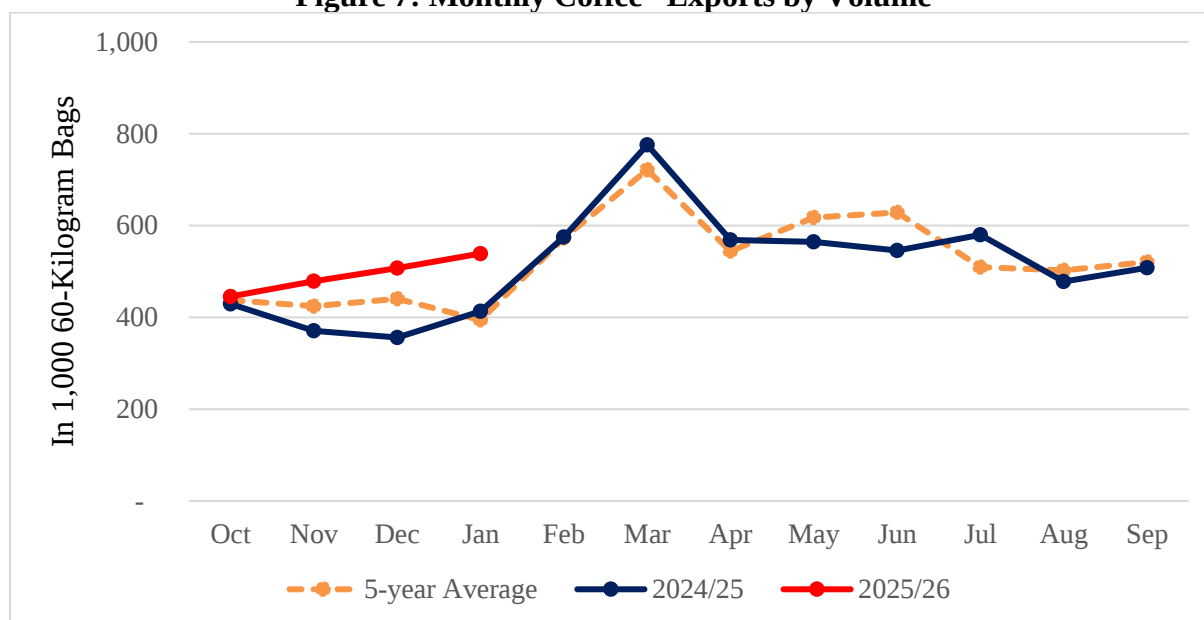
*Green Coffee - The raw, unroasted coffee beans that are processed and dried but not yet roasted.
Source: Coffee Board of India

Figure 6: Coffee* Export Share by Country (in percentage)



*Includes green beans, soluble, roast and ground coffee in green bean equivalent (GBE)
Source: Trade Data Monitor, LLC

Figure 7: Monthly Coffee* Exports by Volume



*Includes green beans, soluble, roast and ground coffee (HS Code - 090111, 090112, 090121, 090122, 210111, 210112) green bean equivalent (GBE)

Source: Trade Data Monitor, LLC

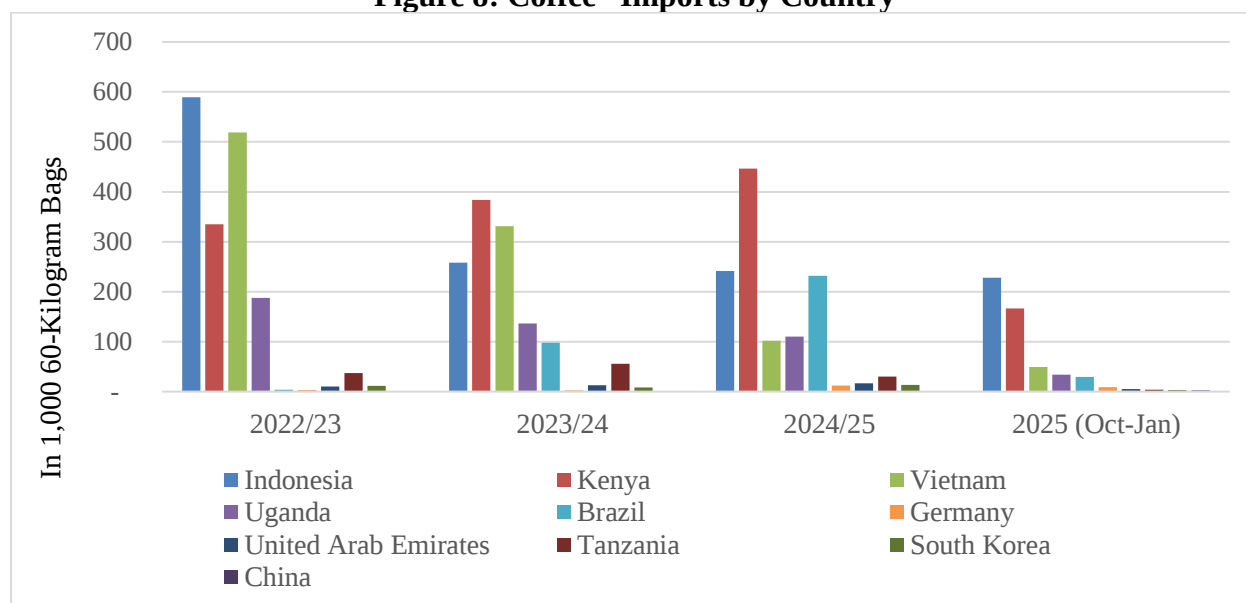
Imports

Post forecasts MY 2026/27 imports at 1.39 million 60-kilogram bags (83,400 metric tons). Imports are expected to be four percent higher than last year as the use of Indian coffee in soluble coffee re-exports remains limited due to domestic beans trading at a premium, necessitating higher reliance on imported beans for processing and value addition. Soluble coffee exporters continue to import green beans for processing and subsequent re-export. Indian soluble coffee processors use imported beans primarily because they are often cheaper due to duty exemption and help maintain cost competitiveness in export markets. Imports also ensure consistent quality, suitable blending characteristics, and reliable supply for large scale processing and re-exports. However, import growth may be moderated by record high global bean prices, compounded by a roughly five percent depreciation of the Indian rupee since October 2025, which increases import costs.

The relaxation of import regulations since April 2024 allowed coffee beans for consumption as well as processing and re-exports, from all origins. It consequently led to increased shipments from non-traditional suppliers such as Kenya and Brazil, reducing dependence on Indonesia and Vietnam. MY 2025/26 year-to-date shipments (October to January) are up about eight percent year on year, as exporters cover near-term requirements and offset lower domestic availability through imports. Green beans account for approximately 94 percent of total imports and are primarily sourced from Indonesia, Kenya, Vietnam, Uganda, and Brazil for processing and re-export.

Post also revised down its MY 2024/25 import estimate to 1.33 million 60-kilogram bags (80,221 metric tons) in line with official trade data from the Ministry of Commerce.

Figure 8: Coffee* Imports by Country



*Includes green beans, soluble, roast and ground coffee (HS Code - 090111, 090112, 090121, 090122, 210111, 210112) green bean equivalent (GBE)

Source: Trade Data Monitor, LLC

Table 2. India: Import Tariff on Coffee and Related Products

HS Code	Description	Standard Rate (Applied Rate)	Preferential Rate
0901	Coffee, whether or not roasted or decaffeinated;		
0901.11	Coffee neither roasted nor decaffeinated	100%	100% less 13 paise per kg
0901.12	Coffee not roasted decaffeinated	100%	100% less 13 paise per kg
0901.21	Coffee roasted not decaffeinated	100%	100% less 13 paise per kg
0901.22	Coffee roasted and decaffeinated	100%	100% less 13 paise per kg
2101.11	Extracts, essences and concentrates of coffee, preparation with a basis of these extracts, essences or concentrates or with a basis of coffee:		
2101.11.10	Instant coffee flavored	30%	-
2101.11.20	Instant coffee not flavored	30%	-
2101.11.30	Coffee Aroma	30%	-
2101.11.90	Others	30%	-
2101.12.00	Preparation with a basis of extracts, essences or concentrates with a basis of coffee	30%	-

Attachments:

No Attachments