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Report Highlights:

FAS/San José projects marketing year 2026/2027 coffee production to increase 3.5 percent to 1,200,000 60-kilogram bags as several factors are expected to counter the positive effects of the biennial coffee production cycle. A strong local currency relative to the U.S. dollar resulting in lower income for farmers, higher fertilizer prices, and the expected occurrence of the “El Niño” weather phenomenon will present challenges to next year’s production.

Executive Summary

FAS/San José projects marketing year (MY) 2026/27 production to increase marginally to 1,200,000 60-kilogram (kg) bags. Although the next marketing year is expected to be the higher production year under the biennial effect of the coffee production cycle, exchange rate headwinds, lower coffee prices, higher fertilizer and fuel prices, and potential abnormal weather patterns caused by the El Niño weather phenomenon, could limit the volume of the next crop. The coffee sector is preparing for the continued negative effects of a very strong local currency against the U.S. dollar. The Costa Rican Colón has appreciated roughly 35 percent since mid-2022. Since most of the coffee is exported, even at historically high coffee prices, the colon-denominated revenue has declined sharply because of the exchange rate, directly affecting farmers’ profitability. According to ICAFE (Costa Rican Coffee Institute), coffee prices have declined from \$574 per 60-kg bag in October of 2025 to \$378 in April 2026, creating the expectation of lower future income.

The Costa Rican National Meteorological Institute (IMN) confirmed that the weather phenomenon known as “El Niño” will affect Costa Rica most likely during the second half of 2026. This could result in a reduction in rainfall of up to 30 percent of the normal amount in some areas of the country (primarily in the Northern Pacific). Although coffee production areas may not be as negatively affected, the timing of the phenomenon will determine whether the effects are mild or strong on coffee production.

MY 2025/26 production is expected to close just below the initial forecast at 1,160,000 bags, although ICAFE had initially expected higher production.

Area

The latest available area planted data is based on a 2022 area survey. According to the information, area planted declined by 11.9 percent as compared to the previous data set from 2018. FAS/San José projects MY 2026/27 area planted to remain unchanged at approximately 83,000 hectares (ha). However, according to industry sources, some of the less productive producers may leave the activity altogether or may reduce the maintenance of their plantations given the difficult situation they are facing. ICAFE is in the process of updating the area planted information with data from 2024, but the information is not available yet. The following table breaks down the estimated area planted by region and the corresponding region in the map that follows is listed in parenthesis:

Table 1. Estimated MY 2025/26 Area Planted (hectares)

Coffee Region	Area 2018	Area 2022	Change
Los Santos (Tarrazú)	27,944	28,519	2.1%
Occidental Valley (Valle Occidental)	21,992	18,640	-15.2%
Central Valley (Valle Central and Tres Ríos)	13,327	11,493	-13.8%
Perez Zeledón (Brunca)	13,315	10,617	-20.3%

Coto Brus (Brunca)	10,261	8,810	-14.1%
Turrialba (Turrialba and Orosi)	4,917	3,386	-31.1%
Northern Zone (Guanacaste)	1,942	1,075	-44.6%
National Total	93,697	82,539	-11.9%

Source: Costa Rican Coffee Institute (ICAFE)

The following map shows the eight coffee production regions of Costa Rica.

Figure 1: Map of Costa Rican Growing Regions



Source: Costa Rican Coffee Institute (ICAFE)

Production

FAS/San José projects MY 2026/27 coffee production at 1,200,000 60-kg bags, 3.5 percent higher than MY 2025/26. Several factors are expected to keep production from growing at a higher rate, even though the next marketing year is the high year of the production cycle. The combination of a strong exchange rate which has negatively affected farmer revenues, the higher price of fertilizer, the expectation of lower international coffee prices, and the possibility of a strong El Niño weather phenomenon, will present difficult challenges to the coffee sector. According to ICAFE, the greatest concern for the sector is still the relative strength of the Costa Rican Colón. Since most of Costa Rica's coffee is exported, the stronger Colón has reduced revenues to growers by nearly 30 percent since MY

2021/22 (when the exchange rate reached a peak) as international coffee contracts are denominated in U.S. dollars. According to ICAFE, although the average price per bag of exported coffee is expected to be much higher during MY 2025/26 than in previous marketing years, the final average price received by the farmer in Colones, will be lower than the price received during the previous marketing period due to the exchange rate conversion. Based on this estimate, ICAFE expects that many producers may not be able to fertilize their plantations adequately due to the higher fertilizer prices.

The country has initiated the transition to the rainy season, although with longer dry periods between rainy days. According to the IMN, the rains should resume by mid-May 2026 throughout the coffee production regions. The big question for coffee growers is related to the timing of El Niño, which is expected to cause a 10 to 30 percent reduction in precipitation (depending on the different regions of the country) as well a higher temperature. According to the IMN, there is a high probability that El Niño will develop during the second half of the year.

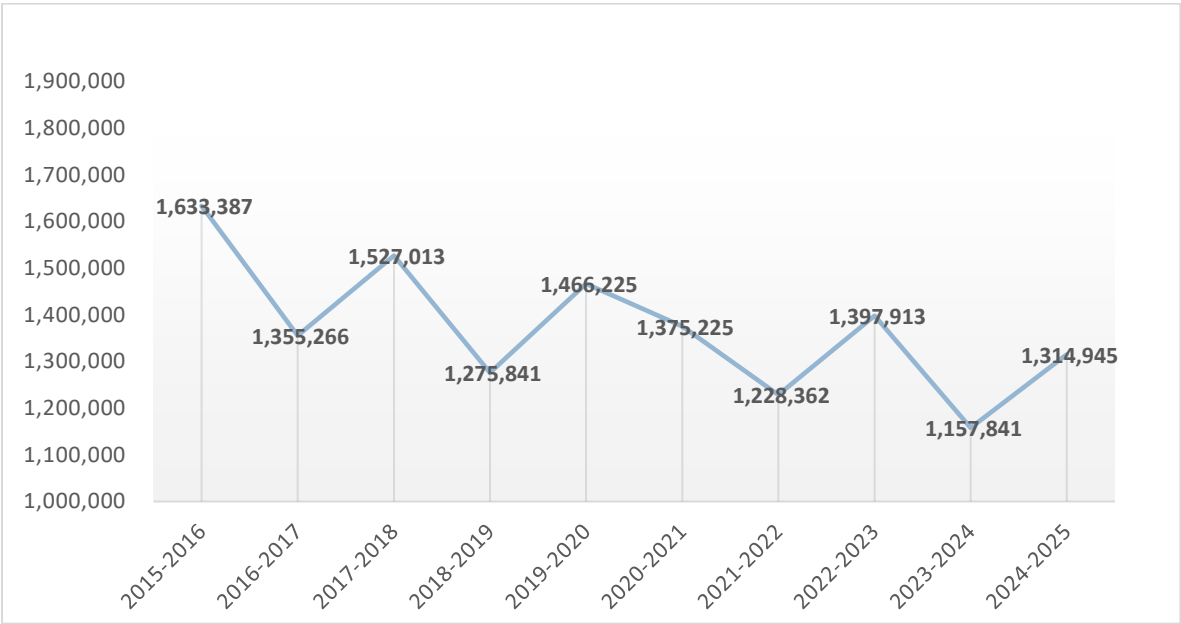
FAS/San José expects coffee producers to face continued labor supply challenges. Panamanian workers of the Ngäbe-Buglé tribes now harvest most of the coffee crop, although Nicaraguans also participate in the process. According to ICAFE, the inflow of field workers has been affected by slow migratory processes, which causes uncertainty among the growers.

During MY 2025/26, production was slightly lower than previously anticipated at 1,160,000 60- kg bags. During 2025, the water deficit period was short again throughout the country. Irregular rains during January – April affected production in two ways: by preventing the necessary water related stress, especially in higher altitude areas and by stimulating flowering in many of the growing regions, resulting in 4 to 5 early flowerings and the premature development of the fruit in relation to the usual behavior. In some areas, the rain continued after the flowering period, which had a positive effect. During most of 2025, the distribution and amount of rain was favorable, which allowed for the execution of good agricultural practices. A reduction of rainfall during the period July-October helped in the development of the fruit and allowed the farmers to conduct agricultural practices that assisted in controlling diseases.

The coffee harvest is concentrated in the months of November to February. However, the harvest starts around August in the lower altitude areas in the south and can end around May in some higher altitude areas.

In MY 2024/25 (the most recent year for which data is available), the canton of Tarrazú, which is part of the Los Santos coffee producing area, was the highest producing canton for the eighth year in a row with 15.9 percent of total production. (Note: The country of Costa Rica is divided into provinces, which are divided into cantons, which are divided into districts.) Tarrazú was followed by Perez Zeledón (12.4 percent of total production), which is located to the south of Los Santos in the Province of San José.

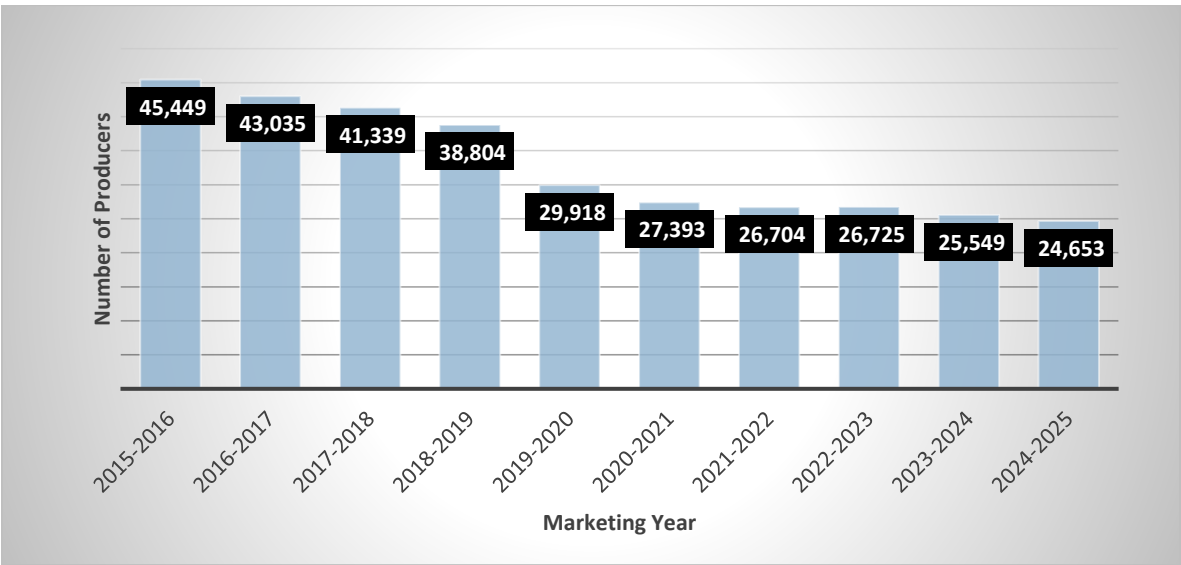
Figure 2: Green Coffee Production by Marketing Year (60-kg bags)



Source: Costa Rican Coffee Institute (ICAFFE)

According to ICAFFE, the number of coffee growers in the country declined in MY 2024/25 to 24,653 farmers from 25,549 farmers in MY 2023/24. The number is down 48 percent from 10 years ago. Long periods of low coffee prices, aging farmers, and high land prices near urban areas are some of the factors that have contributed to the declining number of producers. Eighty-five percent of coffee growers in MY 2024/25 produced fewer than 100 60-kg bags of coffee on farms smaller than 10 hectares.

Figure 3: Number of Coffee Growers in Costa Rica



Source: Costa Rican Coffee Institute (ICAFFE)

Reflecting the industry trend towards increased product differentiation through smaller lots (micro-lots) which allow producers to capture higher sales prices, the number of coffee mills increased from 216 in MY 2014/15 to 307 in MY 2024/25. Many of these mills are very small, known as micro-mills, servicing a handful of farms in the immediate vicinity. According to ICAFE, in MY 2024/25 (the latest year for which data is available) there were 99 registered exporting companies and 49 coffee roasters in Costa Rica.

Consumption

FAS/San José projects MY 2026/27 coffee consumption unchanged at 320,000 60-kg bags, as slow population growth and relatively high prices limit stronger consumption growth. FAS/San José also estimates MY 2025/26 consumption at 320,000 bags, marginally higher than previously expected as a result of higher sales in local cafeterias and coffee shops. Inflationary pressures and higher international coffee prices pushed domestic prices almost 40 percent higher since 2022, and prices have remained high since that time.

With a population of 5.3 million, low levels of legal immigration, and population growth less than one percent per year, FAS/San José does not expect Costa Rican coffee consumption to increase substantially in the near-term. According to ICAFE, which keeps track of coffee sales for domestic consumption excluding coffee imports, sales of domestic coffee in MY 2024/25 increased 18 percent as compared to MY 2023/24 reaching 184,919 60-kg bags. Reportedly, some micro-mills may be diverting coffee to local stores and cafeterias without reporting this production to ICAFE to take advantage of higher prices and profitability obtained through these retail outlets. Some well-known local brands have shifted their marketing and sales efforts towards the local market to generate more revenue denominated in local currency.

The volume of imported coffee has been variable since Costa Rica started importing coffee around 2008, and it responds to market opportunities related to prices, logistics, and availability. Imports peaked in MY 2018/19 and reached the lowest point of the last four marketing years in 2024/25.

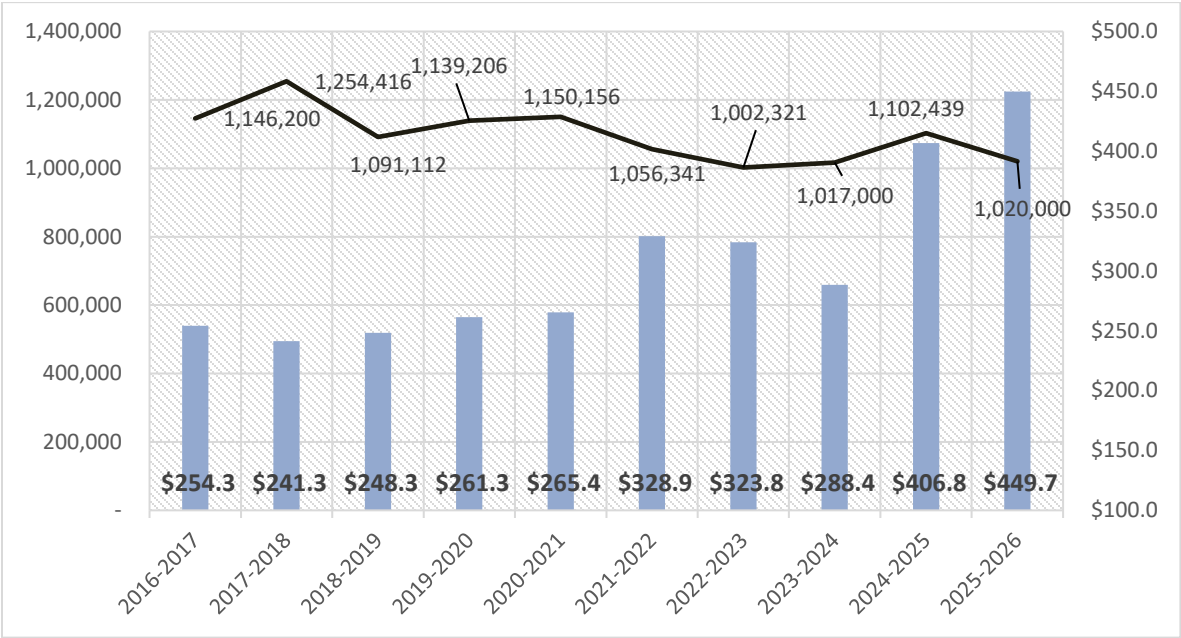
Trade

FAS/San José projects MY 2026/27 coffee exports at 1,060,000 60-kg bags, because of expected higher production. MY 2025/26 coffee exports on the other hand, are projected to reach 1,020,000 60-kg bags. ICAFE, which keeps track of Costa Rica's exports, informed FAS/San José that because of the uncertainty in the Middle East, international buyers recently increased their purchases to secure product availability. In contrast, in late 2025, buyers were very cautious in their purchases. MY 2024/25 export volume was 1.1 million 60-kg bags, worth \$459.3 million or 2.1 percent of total export value. Coffee is ranked third in terms of the value of Costa Rica's exports of agricultural products, after pineapples and bananas.

According to ICAFE, the export price for MY 2025/26 coffee increased 10.5 percent through April 2026 to an average of \$449.7 per 60-kg bag compared to \$406.8 the year before. Nevertheless, the average exchange rate was 504.76 colones per USD during MY 2025/26 and it is now 459.65/USD, resulting in a 9 percent reduction in revenue in terms of local currency. This information shows why local coffee

growers have not been able to profit from higher international prices. The concern now is that while the Colón remains strong against the USD, international prices may decline during the second half of the year because of higher coffee production primarily in Brazil.

Figure 4. Green Coffee Export Volume and Average Price by Marketing Year



Source: Costa Rican Coffee Institute (ICAFFE)

* The MY 2025/26 average export price reflects data through April 2026. The MY 2025/26 export volume reflects FAS/San José projection for the full marketing year.

Table 2. Exports of Green Coffee by Destination and Marketing Year (60-kg bags)

Country of destination	2022-2023	2023-2024	2024-2025
United States	506,098.0	386,307.0	454,266.0
Belgium	128,290.0	282,162.0	269,551.0
Germany	93,990.0	60,347.0	57,089.0
South Korea	28,312.0	29,164.0	32,658.0
Japan	21,022.0	25,656.0	23,841.0
Italy	27,247.0	24,200.0	20,932.0
Israel	16,689.0	20,269.0	24,569.0
Finland	6,900.0	12,765.0	25,875.0
China	12,504.0	16,384.0	29,025.0
Others not listed	161,269.0	159,851.0	164,633.0
Total	1,002,321.0	1,017,105.0	1,102,439.0

Source: Costa Rican Coffee Institute (ICAFFE) with data from Costa Rican Customs Dept.

The United States has been the main destination for Costa Rican exports for several years, although its market share has declined in recent years. The U.S. share of total exports from Costa Rica was 39.6 percent in MY 2024/25, slightly higher than the 38 percent obtained in MY 2023/24. The European Union is the other large destination of Costa Rica's coffee.

Costa Rica started to import economically significant volumes of coffee in 2008, primarily from other Central American countries to meet part of its domestic consumption needs. Imports from Nicaragua represented 54 percent of the total in MY 2024/25 while imports from Honduras were 36 percent of the total. Since most of Costa Rica's coffee is priced at a premium in international markets, most locally produced coffee is exported, with lower priced Costa Rican and imported coffees satisfying local market demand. Imports fluctuate widely from one year to another, responding to local roasters' ability to maximize profits through imports based on pricing, availability, and logistics. However, imports of roasted coffee (rather than green beans) have increased over time, representing 22 percent of total imports during MY 2024/25.

Policy

ICAFFE continues to work on the consolidation of the scheme for marketing of coffee free of deforestation, in compliance with the European Union (EU) Green Deal [requirements for deforestation-free verification](#). The institution is strengthening its information systems to ensure georeferenced product traceability, to register statements of due diligence and to guarantee the informed consent of the growers. In addition, it expanded training and technical assistance to producers, mills, and exporters.

As part of a pilot program that involved the participation of a local cooperative, the United Nations Development Programme (UNDP), and ICAFFE, Costa Rica exported the first shipment of "deforestation and degradation free" coffee to Italy on March 14, 2024. The pilot program involved a total of 69 coffee growers (about 0.3 percent of all growers). According to a UNDP representative, the pilot program had the goal of developing an effective and practical method for the evaluation and documentation of Costa Rican coffee compliance with the demanding requirements to be considered "deforestation-free."

The Costa Rican coffee sector is making a strong effort to achieve compliance with Green Deal requirements, expecting to benefit from its higher degree of compliance once the program is fully enforced.

Production, Supply and Distribution Statistics:

Coffee, Green Market Year Begins Costa Rica	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	83	0	83	0	83
Area Harvested (1000 HA)	0	79	0	79	0	79
Bearing Trees (MILLION TREES)	0	342	0	342	0	342
Non-Bearing Trees (MILLION TREES)	0	18	0	18	0	18
Total Tree Population (MILLION TREES)	0	360	0	360	0	360
Beginning Stocks (1000 60 KG BAGS)	167	167	150	193	0	133
Arabica Production (1000 60 KG BAGS)	1298	1315	1170	1160	0	1200
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)	1298	1315	1170	1160	0	1200
Bean Imports (1000 60 KG BAGS)	100	98	120	95	0	95
Roast & Ground Imports (1000 60 KG BAGS)	25	30	25	25	0	20
Soluble Imports (1000 60 KG BAGS)	5	0	5	0	0	0
Total Imports (1000 60 KG BAGS)	130	128	150	120	0	115
Total Supply (1000 60 KG BAGS)	1595	1610	1470	1473	0	1448
Bean Exports (1000 60 KG BAGS)	1100	1092	1050	1010	0	1050
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)	1110	1102	1060	1020	0	1060
Rst,Ground Dom. Consum (1000 60 KG BAGS)	330	310	300	315	0	315
Soluble Dom. Cons. (1000 60 KG BAGS)	5	5	5	5	0	5
Domestic Consumption (1000 60 KG BAGS)	335	315	305	320	0	320
Ending Stocks (1000 60 KG BAGS)	150	193	105	133	0	68
Total Distribution (1000 60 KG BAGS)	1595	1610	1470	1473	0	1448
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments