Required Report: Required - Public Distribution **Date:** May 17, 2021

Report Number: BR2021-0020

Report Name: Coffee Annual

Country: Brazil

Post: Sao Paulo ATO

Report Category: Coffee

Prepared By: Sergio Barros

Approved By: Nicolas Rubio

Report Highlights:

ATO/Sao Paulo forecasts the Brazilian coffee production for Marketing Year (MY) 2021/22 (July-June) at 56.3 million 60-kg bags, a significant decrease of 19 percent compared to last year's revised record output of 69.9 million bags. Adverse weather conditions in the Arabica coffee growing regions and trees mostly on the off-year of the biennial production cycle support the projected drop. Coffee exports for MY 2021/22 are projected at 35.22 million bags, a sharp drop of nearly 10 million bags from all-time record exports of 45.03 million bags in MY 2020/21, due to expected lower product availability. Increased coffee consumption in the Brazilian households has offset the losses in "out of home" consumption with the temporary and intermittent closure of Brazilian coffee shops, hotels, bars and restaurants imposed by the COVID-19 pandemic.

Production

The Agricultural Trade Office in Sao Paulo (ATO) forecasts the Brazilian marketing year (MY) 2021/22 (July-June) coffee production at 56.3 million bags (60 kilograms per bag), green equivalent, a decrease of nineteen percent relative to the revised figure for the previous crop year (69.9 million 60-kg bags).

Arabica production is forecast at 35 million bags, a thirty percent reduction compared to the previous crop. The majority of producing areas are in the off-year of the biennial production cycle, resulting in lower production potential for the upcoming crop. Several growers have also pruned their coffee fields at above-average rates after the record crop in 2020, thus reducing the area to be harvested. In addition, adverse weather conditions have notably affected the production outcome for 2021. The persistent drought and high temperatures in major coffee growing regions in the second semester of 2020 and in the beginning months of 2021 not only affected blossoming and fruit setting, but have affected fruit development/filling as well. The bulk of the Arabica coffee harvest should start in May/June and the quality of the crop could potentially be affected by the adverse weather conditions that have prevailed.

Robusta/Conilon production is expected to reach 21.3 million bags, an increase of 1.1 million bags compared to the current MY. Good rainfall volumes favored major producing states in addition to improved use of good crop management practices and clonal seedlings. Robusta/Conilon harvest started in April in major growing areas.

The Agricultural Trade Office (ATO)/Sao Paulo estimate for marketing year (MY) 2020/21 (July-June) was revised upward to 69.9 million 60-kg bags, green equivalent, an increase of three percent relative to the previous estimate (67.9 million bags), based on updated supply/demand information from the industry. Arabica production is estimated at 49.7 million bags, whereas the estimate for Robusta/Conilon production is 20.2 million bags. Post contacts report that producers have already marketed over 90 percent of the 2020/21.

Due to the COVID-19 pandemic and related social distance measures, Post did not conduct the regular annual field trips to major coffee producing areas to observe vegetative development, cherry set and fruit formation in order to evaluate the 2021 crop. Information was obtained from government sources, state secretariats of agriculture, producers associations, cooperatives, traders, consultants, and other major players in the coffee industry. Production figures are forecast based on Post historical database, weather patterns observed in different coffee regions during the current vegetative/production cycle; comparison crop figures from several sources; and any other relevant material to support crop forecasting. Post will later balance and validate the MY 2021/22 production figures when other supply/demand variables for the MY are available, e.g., exports, consumption, and ending stocks. The table below shows coffee forecast production by state and variety for MY 2021/22 as well as production estimates from MY 2017/18 to MY 202020/21.

Brazilian Coffee Production (Million 60-kg bags)					
State/Variety	**MY 17/18**	**MY 18/19**	**MY 19/20**	**MY 20/21**	**MY 21/22**
Minas Gerais	28.30	34.20	29.10	34.80	23.30
Southwest	14.80	19.20	16.20	19.70	12.40
Central-western	5.40	7.30	5.80	6.30	4.80
Southeast	8.10	7.70	7.10	8.80	6.10
Espirito Santo	10.60	15.60	16.80	19.10	18.90
Arabica	3.30	4.70	3.90	4.80	3.60
Robusta	7.30	10.90	12.90	14.30	15.30
Sao Paulo	4.30	6.50	5.40	6.40	4.50
Parana	1.30	1.20	1.10	1.10	1.00
Others	7.60	9.00	8.10	8.50	8.60
Arabica	2.30	3.10	2.50	2.60	2.60
Robusta	5.30	5.90	5.60	5.90	6.00
Total	52.10	66.50	60.50	69.90	56.30
Arabica	39.50	49.70	42.00	49.70	35.00
Robusta	12.60	16.80	18.50	20.20	21.30
Source: USDA/ATO/Sao Paulo.					

In January 2021, the Brazilian Government (GOB), through the Ministry of Agriculture, Livestock and Food Supply's (MAPA) National Supply Company (CONAB), released its first survey projecting Brazilian coffee production in MY 2021/22. It forecasts between 43.85 and 49.59 million 60-kg bags, a 13.49 to 19.22 million-bag drop relative to MY 2020/21 (63.08 million bags – 48.77 and 14.31 million bags of Arabica and Robusta/Conilon coffee, respectively). CONAB projects Arabica production between 29.72 and 32.99 million bags, whereas the Robusta/Conilon crop is estimated between 14.13 and 16.60 million bags. CONAB will release the second coffee survey for the 2021 crop on May 25.

The Brazilian Institute for Geography and Statistics (IBGE), GOB agency which also publishes Brazilian agricultural statistics, has released on May 12, the latest coffee crop survey (April 2021) forecasting the Brazilian coffee production for MY 2021/22 at 47.01 million 60-kg bags (31.81 and 15.20 million bags of Arabica and Robusta/Conilon coffee, respectively), a 24 percent decrease compared to the 2020 crop (62.08 million bags – 47.66 and 14.42 million bags of Arabica and Robusta/Conilon coffee, respectively).

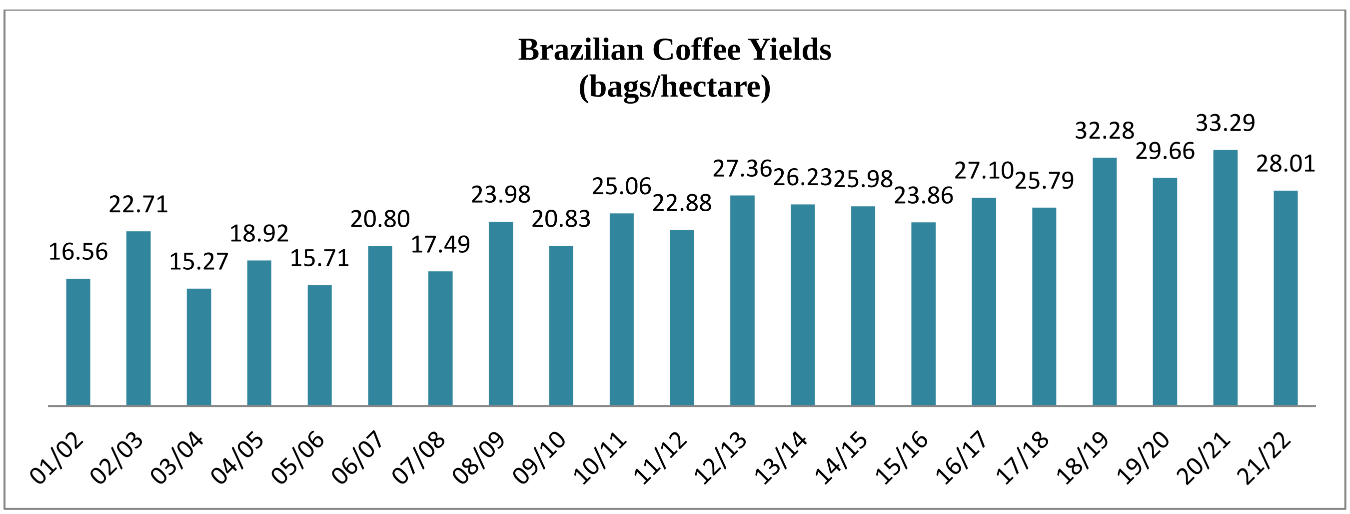
Both government agencies, CONAB and IBGE, use a different methodology to forecast coffee production than Post and, both have been consistently lower than Post's estimates. CONAB announced in later 2020 that it started to review production, supply, and demand statistics released by the Brazilian official agency for several commodities and production numbers for coffee should also be reviewed. The new methodology should include the review of data supplied by the different sources and a crop tour to evaluate coffee fields *in loco*.

Coffee Area, Tree Inventory, and Yields

The table below shows the Brazilian coffee area and tree population from MY 2017/18 through MY 2021/22. The total area planted to coffee for MY 2021/22 is projected slightly up at 2.48 million hectares, an increase of two percent relative to the previous season, whereas coffee tree inventory is projected at 7.51 billion trees, an increase of four percent vis-à-vis the previous crop year.

Brazilian Coffee Area and Tree Population (million trees, thousand hectares, trees/hectare)					
	MY 17/18	**MY 18/19**	**MY 19/20**	**MY 20/21**	**MY 21/22**
Total Trees	6,940	6,890	6,930	7,250	7,510
Non-Bearing	1,300	1,150	1,230	1,050	1,500
Bearing	5,640	5,740	5,700	6,200	6,010
Total Area	2,400	2,395	2,390	2,420	2,480
Non-Bearing	380	335	350	320	470
Harvested	2,020	2,060	2,040	2,100	2,010
Trees/ha	2,892	2,877	2,900	2,996	3,028
Non-Bearing	3,421	3,433	3,514	3,281	3,191
Bearing	2,792	2,786	2,794	2,952	2,990
Source: ATO/Sao Paulo					

ATO/Sao Paulo forecasts the Brazilian coffee yield for MY 2021/22 at 28.01 bags/hectare, a reduction of 16 percent relative to MY 2020/21 (33.29 bags/hectare), predominantly due to the off-year of the biennial production cycle for Arabica trees and adverse weather patterns in Arabica growing areas. The expected steady Robusta/Conilon production in the majority of the coffee areas should offset to some extent the drop in the overall agricultural yield. The graph below illustrates the evolution of Brazilian coffee yields since the 2001/02 crop.



Source: USDA/ATO/Sao Paulo

Coffee Price in the Domestic Market

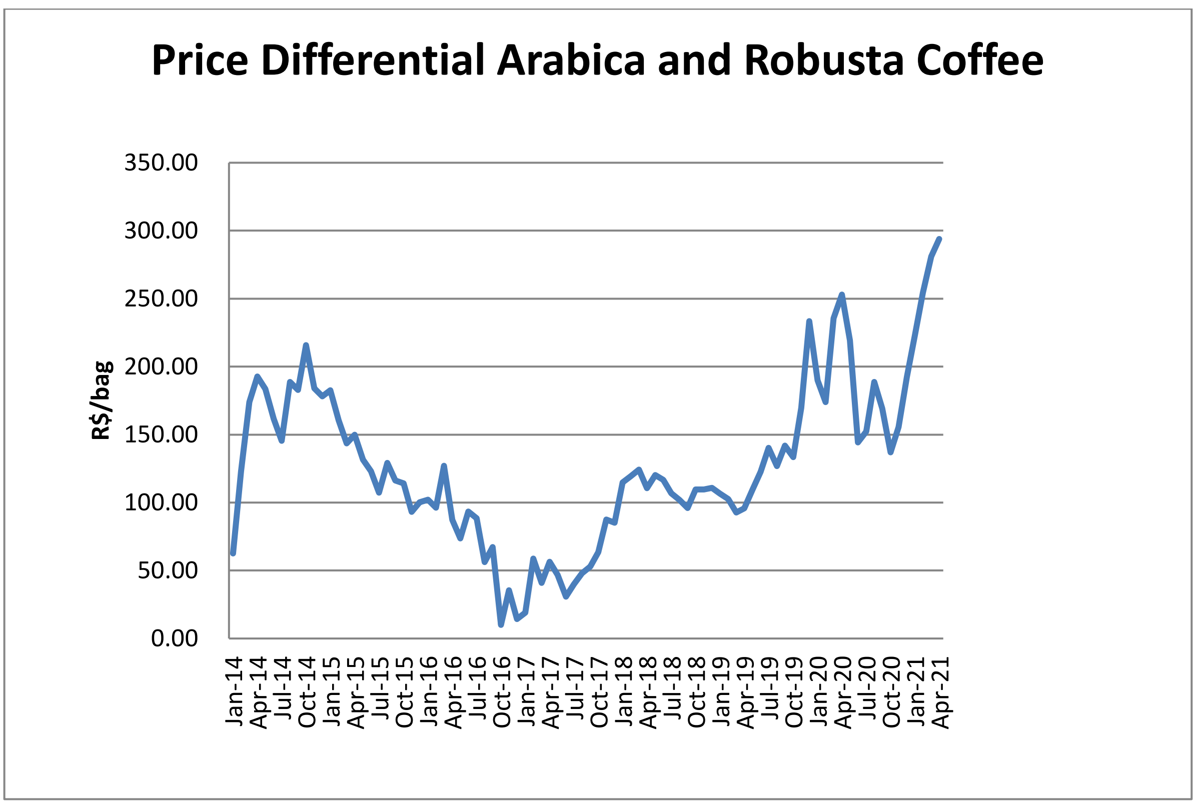
The tables below show the Coffee Index price series for both Arabica and Robusta coffee released by the University of Sao Paulo's Luiz de Queiroz College of Agriculture (ESALQ). The series tracks coffee prices in the domestic spot market since September 1996. Arabica prices have steadily escalated in the first months of 2021, reaching over R$ 800/bag in early May due to expected lower world supply, mainly motivated by the likely reduction in the Brazilian coffee availability in the upcoming crop; and higher world demand for the product.

According to the April 2021 coffee trade statistics released by the International Coffee Organization (ICO), total world coffee consumption for 2020/21 is estimated at 166,34 million bags, increasing 2.14 million bags vis-à-vis the world consumption for 2019/20 (164.2 million bags). ICO reports that the negative impact of the COVID-19 pandemic on coffee consumption during 2020 has gradually diminished as consumption is regaining its normal trend. At-home consumption has increased, offsetting the reduction of out-of-home consumption caused by social distancing measures while the global economy recovers at a slow pace.

Arabica Coffee Prices in the Domestic Market (Real, 60kg/bag).					
Month	**2017**	**2018**	**2019**	**2020**	**2021**
January	514.23	446.42	410.87	493.03	639.71
February	508.65	438.32	407.70	481.97	685.21
March	485.92	429.81	395.60	556.28	731.86
April	467.63	430.71	384.21	584.55	744.13
May 1/	455.69	451.01	389.03	574.10	820.45
June	445.85	452.01	411.93	483.24	--
July	451.90	439.25	423.66	505.97	--
August	458.76	421.14	408.74	578.84	--
September	453.46	415.39	430.63	564.62	--
October	445.95	441.23	421.59	536.60	--
November	452.87	441.59	475.11	565.48	--
December	447.36	420.32	545.17	594.32	--
Source: CEPEA/ESALQ/USP. 1/ May 2021 price refers to May 7.					

Robusta Coffee Prices in the Domestic Market (Real, 60kg/bag).					
Month	**2017**	**2018**	**2019**	**2020**	**2021**
January	495.19	331.57	304.21	303.02	416.71
February	449.93	319.12	305.15	308.09	430.70
March	444.97	305.55	302.88	320.77	450.80
April	411.31	320.04	288.40	331.59	450.22
May 1/	408.81	330.78	279.44	354.69	460.46
June	414.96	335.39	289.42	338.97	--
July	411.84	332.38	283.47	353.65	--
August	410.77	319.25	281.87	390.18	--
September	400.50	319.38	288.82	395.38	--
October	382.43	331.70	288.09	399.70	--
November	365.36	331.94	305.53	409.98	--
December	362.30	309.44	311.79	401.90	--
Source: CEPEA/ESALQ/USP. 1/ May 2021 price refers to May 7.					

The price differential between the Arabica and Robusta/Conilon varieties has notably favored Arabica since the last quarter of 2020, as shown in the graph below, given the tighter supply-demand balance for Arabica varieties. The graph below shows the price differential between both varieties since 2014.



Source: CEPEA/ESALQ/USP

Exchange Rate

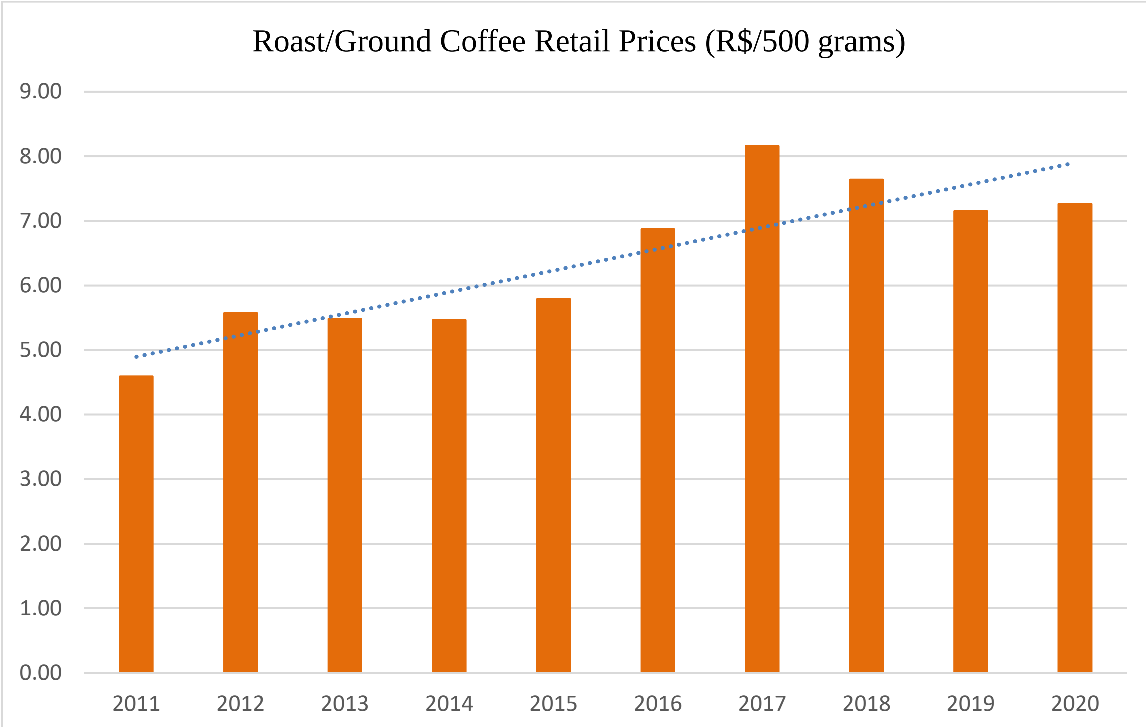
The table below shows the official exchange rate as released by the Brazilian Central Bank (BACEN) from 2015 to 2021.

Exchange Rate (R$/US$1.00 - official rate, last day of period)							
Month	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
January	2.66	4.04	3.13	3.16	3.65	4.25	5.48
February	2.88	3.98	3.10	3.24	3.74	4.50	5.53
March	3.21	3.56	3.17	3.32	3.90	5.20	5.70
April	2.98	3.45	3.20	3.48	3.94	5.43	5.40
May 1/	3.18	3.60	3.26	3.74	3.94	5.43	5.22
June	3.10	3.21	3.30	3.86	3.83	5.48	
July	3.39	3.24	3.13	3.75	3.76	5.20	
August	3.65	3.24	3.15	4.14	4.14	5.47	
September	3.98	3.25	3.17	4.00	4.16	5.64	
October	3.86	3.18	3.27	3.72	4.00	5.77	
November	3.85	3.40	3.26	3.86	4.22	5.33	
December	3.90	3.47	3.31	3.87	4.03	5.20	
Source: Brazilian Central Bank (BACEN) - 1/ May 2021 refers to May 7.							

Consumption

Brazil’s domestic coffee consumption for MY 2021/22 is forecast at 23.655 million coffee bags (22.705 million bags of roast/ground and 950,000 bags of soluble coffee, respectively), an increase of over one percent relative to the revised figure for MY 2020/21 (23.307 million bags – 22.36 million bags of roast/ground and 947,000 bags of soluble coffee, respectively.

Coffee consumption is correlated to some extent to the country’s economic activity. The current projection for the 2021 Brazilian Gross Domestic Product (GDP) is placed at 3.21 percent. In contrast, the GDP for 2020 is officially estimated by the Brazilian Institute of Geography and Statistics (IBGE) at - 4.1 percent due to the economic turmoil caused by the COVID-19 pandemic. ABIC reports that roast/ground coffee prices will likely increase during 2021 due to high costs to acquire green beans, in addition to the increase of energy and oil prices. The graph below shows the evolution of ground/roast coffee retail prices in Sao Paulo, the largest Brazilian city, as reported by Foundation PROCON.



Source: PROCON/DIEESE/SP - Average retail price in the city of São Paulo.

According to the Brazilian Association of Coffee Industry (ABIC), the Brazilian demand for coffee is likely to take time to recover from the COVID-19 pandemic's impact. The outlook is that consumption in Brazilian homes will remain at a high level. However, the recovery of coffee consumption outside the home, including coffee shops, hotels, bars, and restaurants should be slow.

Coffee already has a high penetration in Brazilian households, e.g., approximately 97 percent of the Brazilian households' drink coffee regularly. Increased consumption in the Brazilian households has offset the losses in "out of home" consumption with the temporary closure of Brazilian coffee shops (roughly estimated at 10,000 units), hotels, bars and restaurants imposed by the Covid-19 pandemic.

The Brazilian Coffee Industry Association (ABIC) reports that the coffee industry processed 21.18 million bags, green equivalent, from November 2019 to October 2020, an increase of one percent compared to the same period the year before (20.90 million bags), despite the COVID-19 pandemic and the economic turmoil that affected the Brazilian economy in 2020. The table below shows domestic ground and soluble coffee consumption as reported by ABIC.

Domestic Ground and Soluble Coffee Consumption (Million 60 kg bags, Kg/year).					
Year	**Consumption (Million 60 kg bags)**			**Consumption per capita (kg)**	
	Roast/Ground	**Soluble**	**Total**	**Roast**	**Green Beans**
2001	13.00	0.60	13.60	3.91	4.88
2002	13.30	0.74	14.04	3.86	4.83
2003	12.90	0.80	13.70	3.72	4.65
2004	14.10	0.80	14.90	4.01	5.01
2005	14.60	0.90	15.50	4.11	5.14
2006	15.40	0.93	16.33	4.27	5.34
2007	16.10	1.00	17.10	4.42	5.53
2008	16.68	0.98	17.66	4.51	5.64
2009	17.37	1.02	18.39	4.65	5.81
2010	18.06	1.07	19.13	4.81	6.02
2011	18.60	1.12	19.72	4.88	6.10
2012	19.25	1.08	20.33	4.98	6.23
2013	19.00	1.08	20.08	4.87	6.09
2014	19.25	1.08	20.33	4.89	6.12
2015	19.40	1.10	20.50	4.90	6.12
2016	20.10	1.11	21.21	5.03	6.29
2017	20.91	1.08	21.99	5.10	6.38
2018	19.92	1.08	21.00	4.82	6.02
2019	19.99	0.91	20.90	4.76	5.95
2020	20.24	0.94	21.18	4.81	6.01
Source: Brazilian Coffee Industry Association (ABIC). Note: Estimates refer to November-October period. As of 2018, roast/ground consumption figures exclude consumption from on-farm consumption, coffee shops and other informal sources.					

In 2018, ABIC changed the methodology to estimate the domestic coffee consumption to include consumption only by roasters. Therefore, the aforementioned figures do not include consumption from other channels like on-farm consumption, coffee shops, and other informal sources. Coffee consumption from sources other than roasters is roughly estimated at 2 million bags.

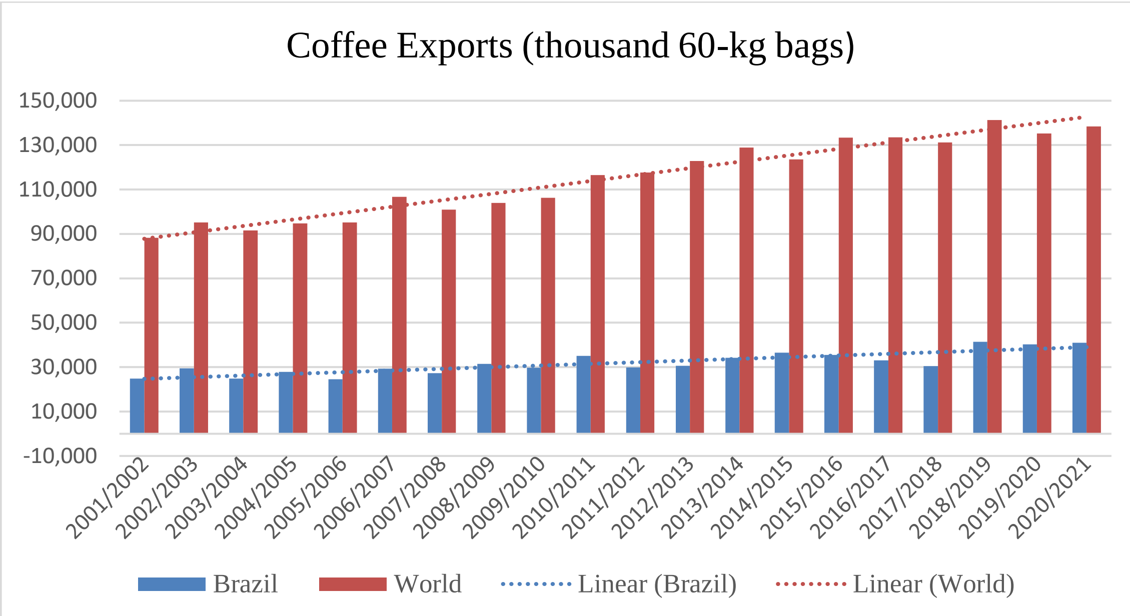
Exports

Coffee exports for MY 2020/21 are estimated at a new record volume of 45.03 million 60-kg bags, green beans, an increase of 4.77 million bags vis-a-vis MY 2019/20 (40.26 million bags) and up 3.6 million bags compared to the previous record volume exported during MY 2018/19 (41.43 million bags). The outstanding 2020 coffee crop, in addition to the steady competitiveness of the Brazilian product due to the depreciation of the local currency, the Real, has supported strong exports. The estimate is based on year-to-date export volumes and anticipated May-June loadings. Green bean (Arabica and Robusta/Conilon) exports are estimated at 41 million bags, whereas soluble coffee exports are estimated at 4 million bags. Major green bean export destinations include Germany, the United States, Italy, Belgium, and Japan.

Industry sources report that the world has been experiencing challenging times and lower availability of containers for food products as a consequence of sanitary issues due to the COVID-19 pandemic and the high flow of containers notably to Asia, therefore decreasing the availability of containers for coffee exports. In addition, the significant devaluation of the Brazilian currency, the Real, vis-a-vis the U.S. dollar, has kept Brazilian overall exports highly competitive, thus encouraging massive exports. In contrast, imports have dropped sharply, causing the imbalance in containers that have led to delays. Coffee is shipped in containers rather than in dry bulk vessels. Lack of space in vessels to hold products is also another constraint to larger export volumes. In spite of the aforementioned logistic hurdles, Brazilian exporters have been able to honor their commitments to the market.

Industry sources also inform that coffee bean stockpiles have sunk to a six-year low in the United States in the first quarter of 2021 and that it could soon affect consumers. The deficit is a direct consequence of the shipping container shortage, which made logistics from South America to the United States more difficult. Even if the shipping container situation gets resolved, industry sources report that the global supply deficit could lead to coffee chains escalating prices.

Despite the record export performance for the current marketing year, the industry is cautious about the future pace of shipments given that Brazil will produce less coffee in the upcoming season. ATO/Sao Paulo forecasts total Brazilian coffee exports for MY 2021/22 at 35.22 60-kg million bags nearly 10 million bags compared to the previous MY, due to the likely lower availability of the product during the upcoming crop. Green bean (Arabica and Robusta/Conilon) exports are estimated at 32 million bags, whereas soluble coffee exports are estimated at 3.2 million bags. The graph below shows the evolution of Brazil’s and world coffee exports since MY 2001/02. Note the steady upward trend for both Brazilian and world exports.



Source: USDA

The tables below show green coffee bean (NCM 0901.11.10), roasted coffee (NCM 0901.21.00) and soluble coffee (NCM 2101.11.10) exports by country of destination, according to the Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (SECEX), for MY 2017/18 through MY 2019/20 (July-June) and MY 2018/19 through MY 2020/21 (July-April).

Brazilian Green Coffee Exports by Country of Destination (NCM 0901.11.10, July-June, MT, US$ 000 FOB)						
	MY 2017/18		**MY 2018/19**		**MY 2019/20**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
United States	812,523	303,993	865,173	397,003	912,511	439,283
Germany	779,858	307,671	810,667	382,887	847,692	391,290
Italy	464,829	167,638	477,908	211,980	463,450	203,237
Belgium	273,875	97,944	321,442	154,188	321,646	157,864
Japan	295,692	103,639	390,010	159,954	259,082	108,342
Turkey	123,155	48,510	142,129	67,930	127,114	65,520
Mexico	8,209	3,767	43,286	26,041	87,578	62,372
Netherlands	60,502	22,918	68,822	32,079	97,542	60,547
Spain	96,951	36,189	100,288	46,662	105,230	49,814
Russia	78,647	29,919	71,175	34,165	102,858	49,148
Others	1,260,042	482,333	1,388,455	646,890	1,233,561	597,204
Total	4,254,282	1,604,521	4,679,354	2,159,779	4,558,262	2,184,622
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Brazilian Green Coffee Exports by Country of Destination (NCM 0901.11.10, July-April, MT, US$ 000 FOB)						
	MY 2018/19		MY 2019/20		MY 2020/21	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
Germany	680,708	314,067	700,354	325,931	899,726	420,674
USA	738,839	330,942	775,869	375,073	852,233	394,467
Belgium	274,655	129,339	249,378	121,656	474,976	219,072
Italy	405,948	175,561	395,395	173,441	341,577	148,377
Japan	327,875	131,047	210,794	88,656	286,711	119,229
Turkey	117,497	55,038	102,434	52,847	124,962	66,717
Colombia	57,308	34,421	27,874	17,900	88,679	56,937
Mexico	37,085	21,932	73,436	51,442	66,473	49,563
Russia	56,302	26,106	86,105	40,523	94,902	47,760
France	86,713	40,516	84,220	39,050	97,508	46,814
Others	1,186,802	533,402	1,103,453	540,855	1,260,760	632,066
Total	3,969,733	1,792,371	3,809,313	1,827,374	4,588,508	2,201,676
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Brazilian Soluble Coffee Exports by Country of Destination (NCM 2101.11.10, July-June, MT, US$ 000FOB)						
	MY 2017/18		MY 2018/19		MY 2019/20	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
USA	95,737	13,926	95,032	15,088	101,771	17,498
Russia	73,313	9,425	67,304	9,259	54,690	8,216
Indonesia	39,620	5,809	33,998	5,998	30,970	5,851
Japan	33,180	4,157	28,468	3,997	28,859	4,323
Ukraine	16,057	1,992	20,649	2,918	22,973	3,594
U.K.	34,607	3,815	30,641	4,361	24,143	3,475
Poland	12,591	2,139	12,182	2,426	15,740	3,339
Singapore	8,247	1,469	17,164	3,695	15,313	3,218
Canada	16,179	2,029	17,761	2,735	14,893	2,911
Peru	12,737	1,766	16,765	3,055	11,542	2,277
Others	197,381	26,093	203,404	31,023	196,767	33,328
Total	539,650	72,619	543,368	84,556	517,661	88,030
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Brazilian Soluble Coffee Exports by Country of Destination (NCM 2101.11.10, July-April, MT, US$ 000 FOB)						
	MY 2018/19		**MY 2019/20**		**MY 2020/21**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
USA	80,902	12,756	83,369	14,342	76,894	13,675
Russia	59,702	8,176	46,645	6,984	37,106	6,033
Indonesia	27,065	4,674	28,399	5,365	28,276	5,392
Japan	23,502	3,324	23,205	3,436	25,538	4,101
Ukraine	17,146	2,379	19,277	3,010	19,929	3,228
Singapore	12,322	2,542	13,480	2,791	12,673	3,044
Poland	9,878	1,907	13,332	2,808	12,312	2,848
Peru	14,291	2,580	9,106	1,803	13,431	2,661
Canada	16,055	2,477	12,841	2,387	11,972	2,636
Argentina	8,375	1,512	7,762	1,599	10,923	2,529
Others	183,742	27,245	178,232	29,004	157,796	28,369
Total	452,979	69,572	435,647	73,529	406,851	74,515
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Brazilian Roasted Coffee Exports by Country of Destination (NCM 0901.21.00, July-June, MT, US$ 000 FOB)						
	MY 2017/18		**MY 2018/19**		**MY 2019/20**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
United States	12	564	3,439	665	2,722	625
Venezuela	22	6	101	25	1,649	519
Argentina	2,851	261	2,252	225	2,408	324
Japan	868	163	879	163	897	233
Paraguay	895	129	1,179	195	921	196
Chile	496	82	434	86	621	136
Colombia	-	-	-	-	192	119
Uruguay	777	94	721	94	710	111
Bolivia	281	38	138	32	149	41
Guyana	-	-	54	13	109	29
Others	1,256	210	1,471	264	1,234	235
Total	11,133	1,547	10,667	1,762	11,613	2,568
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Brazilian Roasted Coffee Exports by Country of Destination (NCM 0901.21.00, July-April, MT, US$ 000 FOB)						
	MY 2018/19		**MY 2019/20**		**MY 2020/21**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
Venezuela	90	23	717	211	12,011	4,759
USA	3,274	630	2,368	529	2,754	687
Argentina	1,810	189	1,983	283	2,994	386
Chile	371	77	537	119	2,166	313
Paraguay	968	155	647	136	1,053	231
Japan	767	134	714	181	594	182
Uruguay	594	75	604	93	645	111
French Guiana	0	0	21	16	46	76
Ukraine	17	0	37	6	182	37
UK	74	12	110	20	152	37
Others	1,372	268	1,312	345	1,790	302
Total	9,337	1,564	9,050	1,939	24,387	7,121
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

As reported by Brazilian Green Coffee Association (CECAFE) and the Brazilian Soluble Coffee Association (ABICS), total coffee exports during the July 2020 – April 2021 period were 39.53 million bags, an increase of 17 percent vis-à-vis the same period for MY 2019/20 (33.90 million bags), due to larger coffee availability for exports. Preliminary data until May 06 show that coffee export registrations for May 2021 were 405,139 bags, while cumulative green coffee export shipments for May 2021 are 64,862 bags. The tables below include data on monthly coffee exports (quantity and value) for MY 2019/20 (July-June) and MY 2020/21 (July-April), as reported by the Brazilian Green Coffee Association (CECAFE) and the Brazilian Soluble Coffee Association (ABICS). The Coffee Export Council (CECAFE) reports that the results could have been even better if the industry had not faced logistical bottlenecks with the lack of containers or space in vessels.

Brazilian Monthly Coffee Exports for MY 2019/20 (Thousand 60-kg bag, green equivalent).						
Month	**Conilon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
Jul-19	601.68	2,438.60	3,040.28	2.31	347.97	3,390.57
Aug-19	461.64	2,570.82	3,032.45	1.85	334.71	3,369.02
Sep-19	346.97	2,800.15	3,147.12	2.29	346.10	3,495.51
Oct-19	359.19	2,964.91	3,324.10	3.49	342.76	3,670.34
Nov-19	204.06	2,757.89	2,961.94	1.34	318.83	3,282.11
Dec-19	345.87	2,409.85	2,755.72	1.81	315.31	3,072.84
Jan-20	223.83	2,922.39	3,146.22	2.64	325.39	3,474.25
Feb-20	218.91	2,477.43	2,696.33	1.73	310.03	3,008.10
Mar-20	253.55	2,898.78	3,152.33	2.58	338.64	3,493.55
Apr-20	316.70	2,951.54	3,268.23	2.50	371.92	3,642.66
May-20	486.57	2,457.71	2,944.28	2.27	335.16	3,281.71
Jun-20	638.84	2,082.02	2,720.86	1.33	353.43	3,075.62
Cumulative	4,457.79	31,732.07	36,189.86	26.14	4,040.27	40,256.26
Source: CECAFE and ABICS.						

Brazilian Monthly Coffee Exports for MY 2020/21 (Thousand 60-kg bag, green equivalent).						
Month	**Conilon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
Jul-20	448.16	2,421.15	2,869.30	1.82	371.17	3,242.29
Aug-20	474.83	2,766.80	3,241.63	2.37	329.96	3,573.96
Sep-20	676.33	3,225.57	3,901.89	2.10	328.17	4,232.16
Oct-20	470.49	3,698.92	4,169.41	1.41	333.56	4,504.38
Nov-20	334.63	4,080.68	4,415.31	1.28	353.53	4,770.11
Dec-20	384.37	3,642.37	4,026.73	2.54	379.97	4,409.25
Jan-21	242.22	3,137.42	3,379.63	1.86	275.88	3,657.37
Feb-21	313.69	3,352.53	3,666.22	2.40	304.82	3,973.44
Mar-21	348.27	3,100.93	3,449.19	3.04	378.98	3,831.22
Apr-21	331.14	2,705.39	3,036.53	2.68	293.35	3,332.56
Cumulative	4,024.11	32,131.74	36,155.85	21.50	3,349.38	39,526.73
Source: CECAFE and ABICS.						

Brazilian Monthly Coffee Exports for MY 2019/20 (US$ 1,000,000).						
Month	**Conilon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
Jul-19	49.48	308.30	357.78	0.87	49.06	407.72
Aug-19	37.79	329.81	367.60	0.45	51.57	419.63
Sep-19	27.85	363.34	391.18	0.54	50.51	442.23
Oct-19	28.83	386.76	415.60	0.85	53.04	469.49
Nov-19	16.65	349.68	366.34	0.42	42.97	409.73
Dec-19	29.05	321.27	350.32	0.45	43.56	394.33
Jan-20	18.61	405.02	423.64	0.57	49.12	473.33
Feb-20	18.26	344.60	362.86	0.52	41.42	404.80
Mar-20	20.68	409.00	429.67	0.85	45.61	476.13
Apr-20	24.54	410.37	434.90	0.75	47.21	482.87
May-20	36.22	330.05	366.27	0.49	45.23	411.99
Jun-20	47.40	266.10	313.50	0.51	47.65	361.66
Cumulative	355.37	4,224.31	4,579.67	7.28	566.95	5,153.91
Source: CECAFE and ABICS.						

Brazilian Monthly Coffee exports for MY 2020/21 (US$ 1,000,000).						
Month	**Conilon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
44013	33.42	300.73	334.15	0.69	46.41	381.25
Aug-20	36.08	347.25	383.34	0.69	43.51	427.54
Sep-20	52.24	423.34	475.57	0.79	39.09	515.46
Oct-20	37.61	484.09	521.70	0.54	42.53	564.77
Nov-20	26.83	525.69	552.51	0.56	45.00	598.07
Dec-20	31.16	479.00	510.16	0.89	49.15	560.19
Jan-21	20.42	418.52	438.94	0.66	34.86	474.47
Feb-21	26.79	456.60	483.39	0.86	36.45	520.70
Mar-21	29.76	429.51	459.27	1.11	46.88	507.26
Apr-21	29.73	380.15	409.88	0.86	36.47	447.21
Cumulative	324.04	4,244.87	4,568.91	7.64	420.35	4,996.90
Source: CECAFE and ABICS.						

Imports

The table below shows roasted coffee (NCM 0901.21.00) imports by country of origin, according to the Trade Data Monitor (TDM) based on the Brazilian Secretariat of foreign Trade (SECEX), for MY 2017/18 through MY 2019/20 (July-June) and MY 2018/19 through MY 2020/21 (July-April).

Brazilian Roasted Coffee Imports by Country of Origin (NCM 0901.21.00, July-June, MT, US$ 000 FOB)						
	MY 2017/18		**MY 2018/19**		**MY 2019/20**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Switzerland	42,268	1,642	37,591	1,832	50,690	1,761
France	4,304	242	6,561	453	7,500	598
United States	2,130	235	2,640	307	2,666	309
Italy	5,389	266	4,554	302	3,995	308
Portugal	1,746	186	1,304	168	999	165
Spain	2,392	147	2,121	134	1,585	108
Colombia	430	93	396	63	280	57
UK	3,401	194	2,522	142	882	50
Poland	3	0	-	-	205	23
Others	271	134	699	37	595	26
Total	62,334	3,139	58,388	3,437	69,398	3,404
Source: Trade Data Monitor (TDM) based on the Brazilian Foreign Trade Secretariat (Secex).						

Brazilian Roasted Coffee Imports by Country of Origin (NCM 0901.21.00, July-April, MT, US$ 000 FOB)						
	MY 2018/19		**MY 2019/20**		**MY 2020/21**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
Switzerland	30,422	1,481	45,892	1,474	28,088	1,799
France	5,043	345	6,297	487	7,234	520
United States	1,898	217	2,540	294	2,109	245
UK	2,192	126	775	44	2,634	160
Italy	3,939	265	3,555	285	2,349	121
Portugal	1,133	143	888	145	539	74
Colombia	396	63	271	56	456	73
Spain	1,895	118	1,314	92	967	57
Uruguay	-	-	-	-	435	44
Poland	-	-	205	23	302	34
Others	435	23	463	22	347	16
Total	47,352	2,781	62,199	2,922	45,459	3,141
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Stocks

ATO/Sao Paulo projects total ending stocks in MY 2021/22 at 1.51 million bags, down 2.5 million bags, relative to the previous year (4.01 million bags), due to expected tighter coffee supply during the season. As of April 2021, the Brazilian government does not hold any public coffee stocks. CONAB's 2021 CONAB's privately-owned stocks survey has not been released yet. The survey includes coffee stocks held by growers, coffee cooperatives, exporters, roasters, and the soluble industry as of March 31, 2021.

Policy

The Coffee Policy Deliberative Council (CDPC) is responsible for approving the coffee crop plan, coffee agricultural and marketing research, crop forecasting, evaluate the market supply and demand, set technical and financial cooperative projects, both domestically and internationally, approve the use of Funcafe funds, among others.

Through CDPC, the Brazilian government approved in late March a total of R$ 5.95 billion to finance the coffee sector during the 2021/22 crop season using funds from the Coffee Economic Defense Fund (Funcafe). The budget is over three percent higher than funds available to the sector during last season (R$ 5.71 billion). Funds can be used to finance crop management, harvest, trade, among others. All credit lines are subject to a 5.75 percent interest rate. The table below shows the funding breakdown by type of financing for the 2020/21 and the 2021/22 crops.

Funcafe Resources for Financing (R$ million)		
	2020/21	**2021/22**
Crop Management	1600.00	1600.00
Marketing	2208.50	2208.50
Coffee Acquisitions	1111.00	1353.90
Recovery of Damaged Coffee	160.00	160.00
Working Capital (industry and cooperatives)	630.50	630.50
Total	5710.00	5952.90
Source: Funcafe		

Minimum prices for the 2021/22 crop were published on April 9 at the Brazilian Official Gazette and are valid from April 1, 2021 through March 31, 2022. Coffee mininum prices are updated annually based mainly on production costs. If market prices are below the minimum guaranteed price, the Brazilian government through CONAB, set policies/programs to guarantee that producers are paid the minimum prices, such as purchasing coffee directly from producers (Federal Government Acquisitions – AGF) or paying a premium to buyers to move the product from growers to the final destination (Product Flow Premium Program – PEP), among others. The table below shows coffee minimum guaranteed prices as set by CONAB since the 2017/18 crop.

Coffee Minimun Guaranteed Prices (R$/60-kg bag)					
	2017/2018	**2018/2019**	**2019/2020**	**2020/2021 1/**	**2021/2022**
Arabica - type 6	333.03	341.21	362.53	364.09	369.40
Robusta/Conilon - type 7	223.59	202.19	210.13	242.31/210.13	263.93
Fonte: Conab 1/ For 2020/21: robusta/conilon price is R$ 210.13 for Rondonia and R$ 242.31 elsewhere.					

Production, Supply and Demand Data Statistics

Coffee, Green	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jul 2019		Jul 2020		Jul 2021	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	2390	2390	2420	2420	0	2480
Area Harvested (1000 HA)	2040	2040	2100	2100	0	2010
Bearing Trees (MILLION TREES)	5700	5700	6200	6200	0	6010
Non-Bearing Trees (MILLION TREES)	1230	1230	1050	1050	0	1500
Total Tree Population (MILLION TREES)	6930	6930	7250	7250	0	7510
Beginning Stocks (1000 60 KG BAGS)	5056	5056	1853	2373	0	4012
Arabica Production (1000 60 KG BAGS)	42000	42000	47800	49700	0	35000
Robusta Production (1000 60 KG BAGS)	18500	18500	20100	20200	0	21300
Other Production (1000 60 KG BAGS)	0	0	0	0	0	0
Total Production (1000 60 KG BAGS)	60500	60500	67900	69900	0	56300
Bean Imports (1000 60 KG BAGS)	0	0	0	0	0	0
Roast & Ground Imports (1000 60 KG BAGS)	67	67	67	72	0	74
Soluble Imports (1000 60 KG BAGS)	0	0	0	0	0	0
Total Imports (1000 60 KG BAGS)	67	67	67	72	0	74
Total Supply (1000 60 KG BAGS)	65623	65623	69820	72345	0	60386
Bean Exports (1000 60 KG BAGS)	36175	36190	37000	41000	0	32000
Rst-Grnd Exp. (1000 60 KG BAGS)	26	26	20	26	0	20
Soluble Exports (1000 60 KG BAGS)	4039	4040	4000	4000	0	3200
Total Exports (1000 60 KG BAGS)	40240	40256	41020	45026	0	35220
Rst,Ground Dom. Consum (1000 60 KG BAGS)	22350	22065	22350	22360	0	22705
Soluble Dom. Cons. (1000 60 KG BAGS)	1180	929	1180	947	0	950
Domestic Consumption (1000 60 KG BAGS)	23530	22994	23530	23307	0	23655
Ending Stocks (1000 60 KG BAGS)	1853	2373	5270	4012	0	1511
Total Distribution (1000 60 KG BAGS)	65623	65623	69820	72345	0	60386
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						

Attachments:

No Attachments