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# Guatemala

## Coffee

### 1998

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#### **Report Highlights:**

**Revised data for the end of the coffee year 1997/98.**

**Effects on coffee due to Hurricane Mitch.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Semi-Annual Report

PSD Table

Country: Guatemala

Commodity: Coffee,  
Green

							UOM
	Old	New	Old	1 New	Old	2 New	
Market Year Begin		10/1996		10/1997		10/1998	(MONTH/YEAR)
Area Planted	275	275	260	260	260	260	(1000 HA)
Area Harvested	250	250	221	221	195	195	(1000 HA)
Bearing Trees	755000	755000	748000	748000	748000	748000	(1000 TREES)
Non-Bearing Trees	104000	100000	86000	86000	86000	86000	(1000 TREES)
TOTAL Tree Population	859000	855000	834000	834000	834000	834000	(1000 TREES)
Beginning Stocks	40	40	40	40	258	248	(1000 60 KG BAGS)
Arabica Production	4248	4114	3500	3955	3100	2798	(1000 60 KG BAGS)
Robusta Production	27	27	27	27	27	27	(1000 60 KG BAGS)
Other Production	0	0	0	0	0	0	(1000 60 KG BAGS)
TOTAL Production	4275	4141	3527	3982	3127	3073	(1000 60 KG BAGS)
Bean Imports	195	175	191	191	191	191	(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	195	175	191	191	191	191	(1000 60 KG BAGS)
<b>TOTAL SUPPLY</b>	4510	<b>4356</b>	3758	<b>4213</b>	3576	<b>3264</b>	(1000 60 KG BAGS)
Bean Exports	4184	4030	3200	3665	3200	2900	(1000 60 KG BAGS)
Roast & Ground Exports	1	1	0	0	0	0	(1000 60 KG BAGS)
Soluble Exports	0	0	0	0	0	0	(1000 60 KG BAGS)
TOTAL Exports	4185	4031	3200	3665	3200	2900	(1000 60 KG BAGS)
Rst, Ground Dom. Consum	275	275	285	285	285	300	(1000 60 KG BAGS)
Soluble Dom. Consum.	10	10	15	15	15	25	(1000 60 KG BAGS)
T O T A L D o m . Consumption	285	285	300	300	300	325	(1000 60 KG BAGS)
Ending Stocks	40	40	258	248	76	39	(1000 60 KG BAGS)
<b>TOTAL DISTRIBUTION</b>	4510	<b>4356</b>	3758	<b>4213</b>	3576	<b>3264</b>	(1000 60 KG BAGS)

Product X conversion factor = green bean equivalent

Product conversion factor

soluble coffee 2.6

roasted coffee 1.19

## Production

Guatemala's coffee year 1997/98 ended on September 30, 1998. The present report revises the data from the 1997/98 annual report according to the information given by the Guatemalan National Coffee Association (ANACAFE).

In the 1997/98 annual report, production of 3.5 million 60 kg bags was estimated; the revised data shows production of 3.9 million 60 kg bags. This change is due to a late harvest in some areas and a slight increase in yields reported in certain parts of the country. Extremely dry conditions during the January-May flowering period negatively affected this year's crop. Further damage is predicted for the 1998/99 crop with the addition of weather damage from Hurricane Mitch. Due to Hurricane Mitch and other tropical storms 1998/99 coffee production in general is expected to be lower by 20%.

Coffee continues to be the number one agricultural export in the country. Coffee accounts for 21 percent of total exports. The industry employs around 40 percent of the agricultural farm labor and contributes between 6 and 7 percent to Guatemala's Gross National Product.

Most coffee produced in Guatemala is Washed Arabica, classified as Prime Washed, Extra-Prime Washed, Semi-Hard Bean, Hard Bean and Strictly Hard Bean. The trend of more areas of strictly hard bean being produced and less areas of prime and extra prime being produced continues. This trend is due to the fact that in the coastal areas alternative crops are more profitable than coffee. Among regions producing strictly hard bean in the country are Antigua, Atitlan, Huehuetenango, Coban and Fraijanes.

Farming of organic coffee keeps increasing in popularity in Guatemala. For 1998, Guatemala's registered organic coffee production accounts for 5 percent of total production. For 1999 production is forecast to increase to between 5-8 percent of total production, the area where organic coffee is grown had slight damages and the crop is expected to continue its increasing trend.

## Damages caused by Mitch

REGIONS	INFRASTRUCTURE	DAMAGE
San Marcos, Quetzaltenango, Retalhuleu, Suchitepequez, Solola, Pochuta and Huehuetenango	Slight obstruction of roads Normal range of rains	Some cracks in fruits. A delayed harvest increases the risk of fallen fruit.
Santa Rosa, Jutiapa, El Progreso, Guatemala, Sacatepequez, Escuintla	Main and auxiliary roads blocked. Destroyed bridges, difficult access.	Cracks in fruits, around 10% loss due to fallen fruit.
Alta Verapaz, Baja Verapaz	Minimum Availability of drinking water. Blocked roads and access ways. Polochic valley impenetrable. Coffee mills flooded. Bridges to small villages destroyed.	Some wiped out areas. Increase in funguses and coffee diseases. Fallen fruit. Production loss in the area is estimated between 20% and 30%.

Zacapa, Chiquimula

4 bridges damaged or destroyed.  
70% of roads impassable due to  
landslides. Difficulties getting  
water to mills.

Cracked and fallen fruit.  
Production loss is  
estimated between  
25% and 35%.

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## Trade

Exports for 1998 were estimated at 3.2 million 60 kg bags. The revised data for 1998 show exports of 3.6 million 60 kg bags. Changes in exports are mainly due to slight changes in production. Although, the revised data show an increase, weather conditions and fluctuating prices continue to affect exports. The 1998 exports decreased by 13.5 percent in comparison to the 1997 imports. For 1999 exports are forecast to decrease even further to 2.9 million 60 kg bags, this decrease is mainly due to an expected excess of low quality coffee caused by extreme weather conditions and damages left by Hurricane Mitch.

There is still continuing reports of contraband from the Honduran border. Contraband for 1998 was estimated at 191,000 bags. For 1999 the forecast is that contraband from Honduras will decrease significantly due to damages caused by Hurricane Mitch to the Honduran coffee crop.

In the last few months world prices have been extremely low. According to ANACAFE low world prices affects local production, since market prices barely cover production cost. Due to Hurricane Mitch and the effect that it had on Central American coffee production speculations are floating around of increases in world prices since the Central American area produces a large quantity of Hard Bean and Strictly Hard Bean.

## Consumption

Guatemala coffee consumption continues to follow the pattern of slight yearly increases. In the 1998 annual report, domestic consumption of 300,000 bags was reported. The revised data shows the same trend in consumption according to the Guatemalan National Coffee Association (ANACAFE). Increases in consumption are mainly due to changes in production and an increase in low quality coffees that don't fulfill the international specifications for exports. ANACAFE is in charge of a program to promote local consumption.

<b>Commodity:</b>	<b>Coffee, Green</b>	
<b>Time period:</b>	<b>year</b>	
<b>Exports for</b>	<b>1997</b>	<b>1998</b>
U.S.	1,833,176 U.S.	1,771,000
Others	Others	
Germany	582,902	567,000
Japan	276,774	278,000
Belgium	265,122	215,000
Netherlands	199,533	198,000
Sweden	171,984	140,000
Italy	157,388	126,000
Canada	154,904	118,000
France	119,175	114,000
Finland	93,058	97,000
Norway		50,000
<b>Total for Others</b>	<b>2,020,838</b>	<b>1,903,000</b>
<b>Others not listed</b>	330,291	146,000
<b>Grand Total</b>	<b>4,184,305</b>	<b>3,820,000</b>

**Country:** **Guatemala** Units: 60 kilos bags

<b>Commodity:</b>	<b>Coffee, Green</b>	
<b>Time period:</b>	<b>year</b>	
<b>Imports for</b>	<b>1997</b>	<b>1998</b>
U.S.		U.S.
Others		Others
Honduras	150,000	191,000
Mexico	25,000	
 <b>Total for Others</b>	 175000	 191000
<b>Others not listed</b>		
<b>Grand Total</b>	<b>175000</b>	<b>191000</b>