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Report Highlights:

Brazil's MY 2024/25 total coffee production is forecast at 66.4 million bags, 0.2 percent higher than the previous season. This timid growth comes in the aftermath of a strong period of adverse weather conditions in the main producing regions, which led to a decrease in initial estimates for the season. As a result, the country has experienced a decline in robusta production, which was offset by a slight increase in the expected production of arabica, which represents most of the total coffee harvest. Meanwhile, coffee exports in 2024 have hit record highs as Brazil expands its share of the global market, occupying a gap left by other large producers, such as Vietnam and Indonesia.

COFFEE
Production, Supply, and Distribution

Table 1
Production, Supply, and Distribution of Coffee

Coffee, Green	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 60 Kg Bags)	540	540	4620	4620	2885	1685
Arabica Production (1000 60 Kg Bags)	39800	39800	44900	44900	48200	45400
Robusta Production (1000 60 Kg Bags)	22800	22800	21400	21400	21700	21000
Other Production (1000 60 Kg Bags)	0	0	0	0	0	0
Total Production (1000 60 Kg Bags)	62600	62600	66300	66300	69900	66400
Bean Imports (1000 60 Kg Bags)	0	0	0	0	0	0
Roast & Ground Imports (1000 60 Kg Bags)	75	75	75	75	75	75
Soluble Imports (1000 60 Kg Bags)	0	0	0	0	0	0
Total Imports (1000 60 Kg Bags)	75	75	75	75	75	75
Total Supply (1000 60 Kg Bags)	63215	63215	70995	70995	72860	68160
Bean Exports (1000 60 Kg Bags)	32200	32200	41500	43100	42500	40500
Rst-Grnd Exp. (1000 60 Kg Bags)	45	45	50	50	51	50
Soluble Exports (1000 60 Kg Bags)	3900	3900	4000	3600	4100	3700
Total Exports (1000 60 Kg Bags)	36145	36145	45550	46750	46651	44250
Rst,Ground Dom. Consum (1000 60 Kg Bags)	21500	21500	21600	21600	21700	21700
Soluble Dom. Cons. (1000 60 Kg Bags)	950	950	960	960	970	970
Domestic Consumption (1000 60 Kg Bags)	22450	22450	22560	22560	22670	22670
Ending Stocks (1000 60 Kg Bags)	4620	4620	2885	1685	3539	1240
Total Distribution (1000 60 Kg Bags)	63215	63215	70995	70995	72860	68160
(1000 HA), (1000 60 KG BAGS)						

The initial Post forecasts in early 2024 were positive, as Minas Gerais and Espirito Santo, Brazil's main coffee-producing states, experienced ideal weather. However, adverse meteorological conditions such as droughts, irregular rainfall, and high temperatures resulted in an almost six percent reduction in Post's previous May projection. Despite this setback, the figures still reflect the impact of the positive year in the biennial cycle for the 2024/25 harvest, leading to an increase over the 2023/24 harvest.

The biennial cycle is a characteristic of the coffee plant, marked by an alternation of a year with robust flowering (referred to as positive or on-biennial) followed by a year with weaker flowering (known as negative or off-biennial). This cycle allows the plant to recover before the next harvest. When not disturbed by adverse weather conditions, positive years generally lead to higher yields.

There is currently reduced global supply of robusta mainly from Vietnam. The monthly price average of robusta in Brazil surpassed arabica values in September, leading to record exports of Brazilian coffee and giving a new boost to producers. However, the lack of rain throughout 2024 is already impacting arabica and robusta crops, which could compromise the production of the 2025/26 harvest.

Coffee Production

Post decreased its forecast for total Brazilian coffee production for marketing year (MY) 2024/25 (July-June) to 66.4 million bags (60 kilograms per bag), green bean equivalent, a 5.8 percent drop over the previous forecast. This decrease is based on irregular weather patterns that negatively affected crop development, especially arabica trees. Nevertheless, Brazil's MY 2024/25 coffee harvest is still projected to be slightly above the 66.3 million bags estimated for MY 2023/24.

For MY 2024/25, arabica production is expected to reach 45.4 million bags (60 kilograms per bag), an increase of 1.1 percent over the previous season, estimated at 44.9 million bags. Robusta/conilon production is projected at 21 million bags, almost 2 percent lower than the 21.4 million bags projected for the 2023/24 harvest. This decrease is due to adverse weather conditions during the development of flowers and fruits.

The 2024/25 harvest is expected to be smaller than initially anticipated due to a lack of rain and above-normal temperatures, worsened by the effects of El Niño in the second half of last year. Coffee production in Brazil has been affected by erratic weather patterns, such as periods of high temperatures with little or no rain. May recorded the hottest temperatures in the past decade, with below-average rainfall. As a result, coffee fruits in several regions ripened too quickly, leading to smaller beans. However, the plants that remained in good condition recovered well.

Brazil's National Supply Company (CONAB) estimates total coffee production at 54.8 million bags (60 kilograms per bag), down 0.5 percent compared to 2023. The decline is attributed to a reduction in yield, particularly for robusta/conilon production. For the 2024/25 harvest, CONAB estimates that 72 percent of the country's coffee production will be arabica, amounting to 39.6 million bags. Robusta/conilon coffee production is expected to reach 15.2 million bags.

Meanwhile, the Brazilian Institute of Geography and Statistics (IBGE) estimated Brazilian coffee production in 2024/25 to be 59.7 million bags (60 kilograms per bag). The forecast represents an increase of nearly 5 percent compared to the 2023 harvest and is based on a 3.6 percent growth in yield. For arabica coffee, the estimated production was 42 million 60 kg bags, representing a 6.5 percent increase from the previous year. For robusta/conilon, the estimated production was 17.7 million 60 kg bags, showing a slight increase from the 17.5 million bags registered in 2023.

It is important to note that CONAB and IBGE use different methodologies to forecast coffee production and have historically provided lower estimates compared to Post.

Harvest Outlook

The coffee harvest in Brazil for the 2024/25 season began mainly in April for robusta/conilon varieties and in May for arabica. This process is now nearly complete, with only a few small areas still pending harvest in states like Minas Gerais and Espírito Santo. Minas Gerais is the top coffee-producing state in the country, followed by Espírito Santo, São Paulo, Bahia, and Rondônia.

Table 2
Brazilian Coffee Production by State (Million 60 kg bags)

State/Variety	MY 2020/21	MY 2021/22	MY 2022/23	MY 2023/24	MY 2024/25
Minas Gerais	**34.8**	**24.5**	**27.3**	**33.1**	**31.5**
Southwest	19.7	13.0	14.4	18.0	17.4
Central-western	6.3	5.0	5.0	7.4	5.9
Southeast	8.8	6.5	7.9	7.7	8.2
Espirito Santo	**19.1**	**19.4**	**21.0**	**18.0**	**19.7**
Arabica	4.8	3.7	4.4	3.0	4.7
Robusta	14.3	15.7	16.6	15.0	15.0
Sao Paulo	**6.4**	**4.6**	**4.8**	**5.6**	**6.0**
Parana	**1.1**	**1.0**	**0.7**	**0.9**	**0.9**
Others	**8.5**	**8.6**	**8.8**	**8.7**	**8.4**
Arabica	2.6	2.6	2.6	2.3	2.3
Robusta	5.9	6.0	6.2	6.4	6.0
Total	**69.9**	**58.1**	**62.6**	**66.3**	**66.5**
Arabica	49.7	36.4	39.8	44.9	45.4
Robusta	20.2	21.7	22.8	21.4	21.0

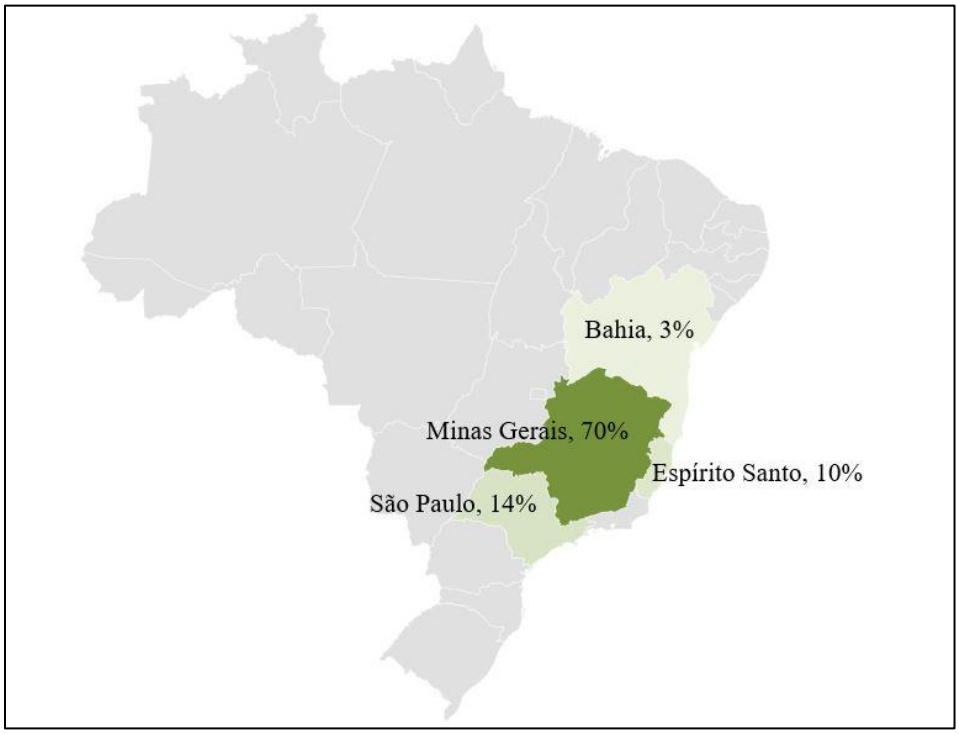
Data Source: *USDA/Brasilia Office of Agricultural Affairs (OAA); Table Post Brasilia*

Coffee crops in Brazil were significantly impacted by high temperatures and prolonged drought conditions during the winter months (June to September), resulting in over 130 consecutive days without rain in several production regions. The quality of the initial harvested batches was below expectations, reflecting the difficulties faced by producers at the start of the season, characterized by small and underdeveloped grains and low yields.

Additionally, the weight of the beans was lower than what has been recorded in previous years, with many beans measuring less than the sieve size of 17/18. This led to the need for more beans to fill a bag, which increased the unit production cost for coffee growers. The extreme heat and lack of rainfall also caused irregular ripening of the fruits in some areas, resulting in a mix of green and mature grains being harvested together.

ARABICA

Figure 1
Main Producing States of Arabica Coffee in Brazil



***Data Source**: USDA/Brasilia Office of Agricultural Affairs (OAA); Figure Post Brasilia*

- **Minas Gerais**: Despite the expectation of a good crop in 2024/25, due to the positive biennial year, coffee production in Brazil's main producing state is anticipated to drop by 5 percent, compared to the previous harvest. This decline is attributed to high temperatures and prolonged periods of water restrictions during the crop's reproductive cycle. In the first quarter of 2024, rainfall patterns were more consistent, benefiting crops during the grain-filling phase. However, from April onward, precipitation levels decreased significantly. The combination of high temperatures and drought accelerated the maturation process, causing the coffee cherries to progress to the dry stage more quickly than usual, which led to lower productivity and irregular ripening of the grains for the 2024/25 harvest. According to CONAB, arabica production in the state is expected to decline by 0.5 percent compared to 2023/24. In contrast, recent estimates from the Federation of Agriculture and Livestock of the State of Minas Gerais (FAEMG) suggest a substantial 23 percent drop in coffee production. This significant decrease is mainly attributed to adverse weather conditions, scattered rainfall, and high temperatures during the stages of fruit development.

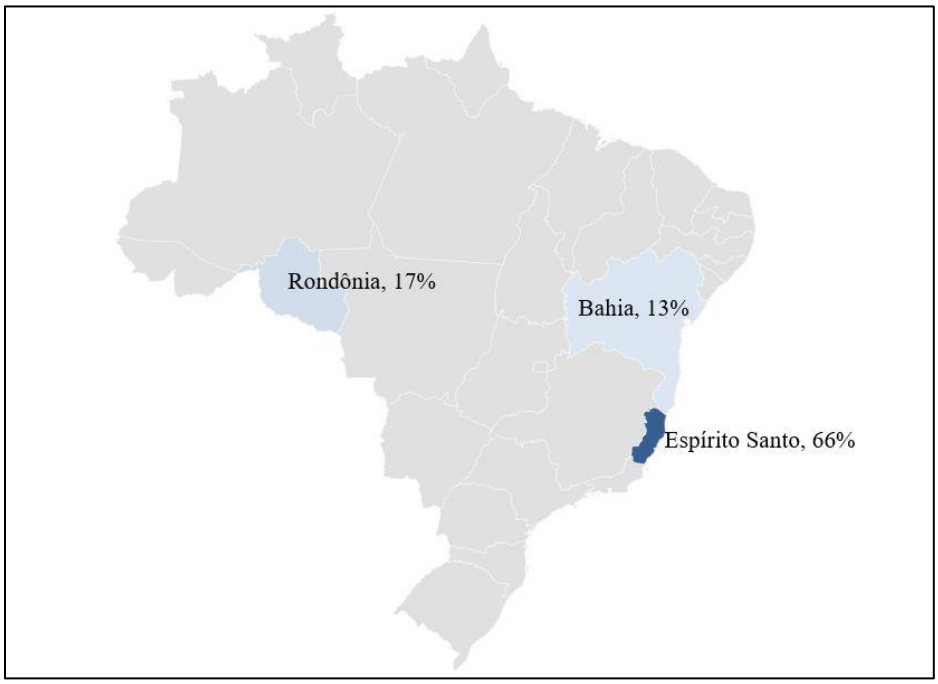
- **São Paulo**: With the completion of the 2024/25 harvest in September, initial yield estimates were revised downwards. However, the positive biennial factor still indicates a 7 percent increase in production over the 2023/24 cycle.

- **Espírito Santo**: Arabica coffee is primarily cultivated in the southern part of the state. Harvesting is still in progress and is expected to continue until December. Similar to São Paulo, the 2024/25 arabica coffee cycle in Espírito Santo began positively during the flowering stage but was later affected by irregular weather conditions, which slightly hindered production. Nevertheless, the on-biennial year suggests a favorable crop, with an expected increase compared to the 2023/24 production for the state. Some regions have experienced infestations by the coffee berry borer insect and high levels of coffee leaf rust.

- **Bahia**: According to CONAB, arabica coffee developed well during the 2024/25 harvest, with an estimated increase in production compared to the previous harvest. In some regions of the state, harvest is irrigated, with mechanized tilling concentrated on large properties. In addition, the state has new areas that were in the formation phase during the last harvest, adding to the increase in production this season.

ROBUSTA/CONILON

Figure 2
Main Producing States of Robusta/Conilon Coffee in Brazil



***Data Source**: USDA/Brasilia Office of Agricultural Affairs (OAA); Figure Post Brasilia*

- **Espírito Santo**: The main producer of robusta/conilon coffee in the country continues to face a shortage of labor force willing to tend to the crops, which has resulted in a more mechanized 2024/25 robusta harvest. Sowing began early in April, promising high production potential. However, periods of high temperatures during critical stages of fruit development have reduced the initially expected high yields. Consequently, the 2024/2025 harvest is expected to be comparable to the previous robusta/conilon coffee harvest.

- **Rondônia**: According to CONAB, the state has experienced a 20 percent decline in the total planted area of robusta/conilon coffee in the 2024/25 season, compared to the previous harvest. This decrease is primarily due to the renewal of trees with more productive and resistant varieties that are better suited to the region's climatic conditions. Additionally, producers have taken advantage of new plantings to increase plant density and adjust the positioning of trees to accommodate mechanization, given the ongoing labor shortages. Although some regions faced infestations of coffee mealybug, the overall development of the 2024/25 crop has been favorable, yielding higher outputs compared to the previous harvest.

- **Bahia**: High temperatures and a lack of rainfall have led to a decrease in robusta/conilon coffee production in the state compared to the 2023/24 harvest. Due to these adverse weather conditions, CONAB estimates that approximately 70 percent of the 2024/25 harvest in Bahia will be of lower quality than in the previous cycle, resulting in small, overly acidic, and defective beans.

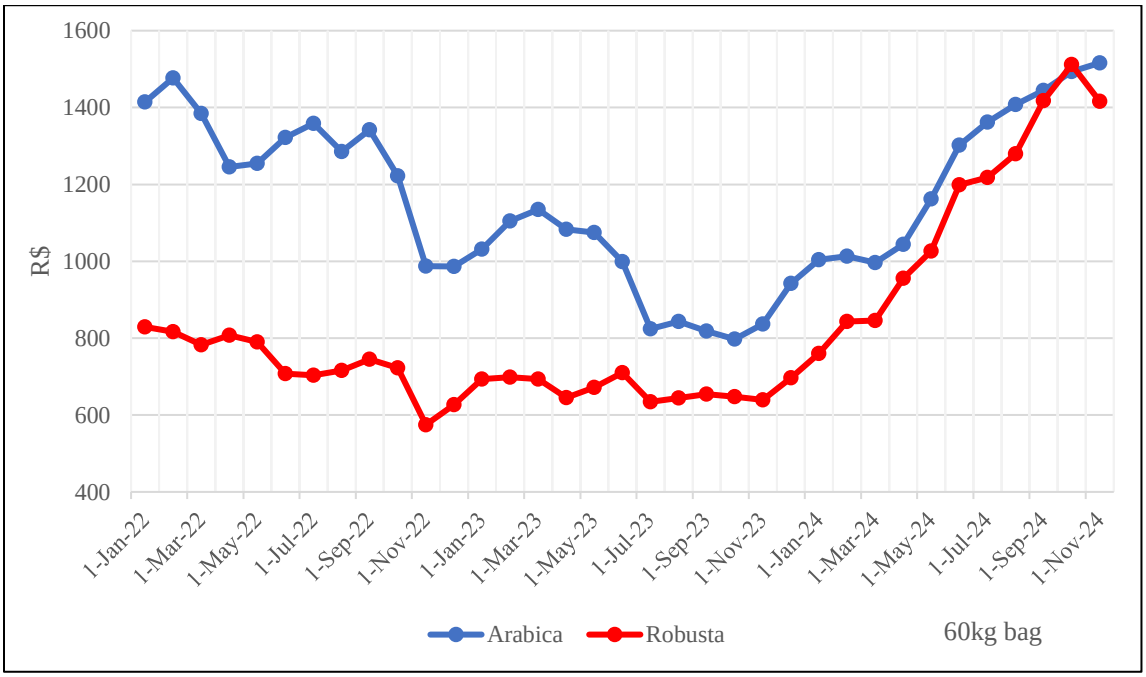
Coffee Prices

Brazil experienced a severe drought and extreme forest fires from July to September 2024. The consequences of these fires and the intense drought are expected to impact the 2024/25 harvest, although the full extent will only be measurable in the new coffee year, which runs from October 2024 to September 2025. However, the market has begun to show rising prices.

According to data from the University of São Paulo's Center for Advanced Studies in Applied Economics (CEPEA), arabica coffee prices averaged R$ 1,490.14 (US$ 264.88) per 60 kg bag in October 2024. This represents an increase of nearly 80 percent compared to the same month in 2023 when arabica prices averaged R$ 829.44 (US$ 163.82). On October 31, 2024, arabica coffee was quoted at R$ 1,525.36 (US$ 263.86), approaching CEPEA's historically high price of R$ 1,555.19 (US$ 297.93) per 60 kg bag, which was reached in February 2022.

Robusta (conilon) coffee prices have experienced an even larger increase than arabica coffee throughout the year. In October 2024, robusta prices averaged R$ 1,416.72 (US$ 251.88) per 60 kg bag, a remarkable 120 percent rise compared to R$ 644.41 (US$ 127.24) in October 2023. On October 31, 2024, robusta coffee was quoted at R$ 1,416.10 (US$ 241.24) per 60 kg bag. The significant increases in prices for both arabica and robusta coffee are driven by movements in the global market and reduced coffee supply from competing countries, such as Vietnam and Indonesia.

Figure 3
Evolution of Arabica and Robusta/Conilon Coffee Prices in Brazil



***Data Source**: University of Sao Paulo Center for Advanced Studies in Applied Economics (CEPEA), Arabica coffee delivered to São Paulo; Graph Post Brasilia*

In September, robusta/conilon coffee prices in Brazil surpassed those of arabica, according to data from CEPEA. Traditionally, arabica coffee receives higher prices due to its milder flavor and greater consumer preference. In contrast, robusta/conilon is mainly used for producing instant coffee and blends sold in supermarkets. The only previous instances where robusta prices exceeded arabica were between October 2016 and January 2017. However, this marks the first occasion where robusta maintained a consistent lead for an entire month.

This price shift is driven by a decline in production in Vietnam and Indonesia, both major robusta producers, along with a lower-than-expected robusta harvest in Brazil. As a result, robusta prices have remained high. Brazilian exporters are witnessing strong international demand, with outbound shipments reaching record levels in recent months as they cater to global markets.

As Vietnam's robusta harvest began in October and more consistent rains began in Brazil's coffee-producing regions by mid-October, the increase in robusta prices has started to slow, perhaps signaling that prices may have peaked, at least for the time being.

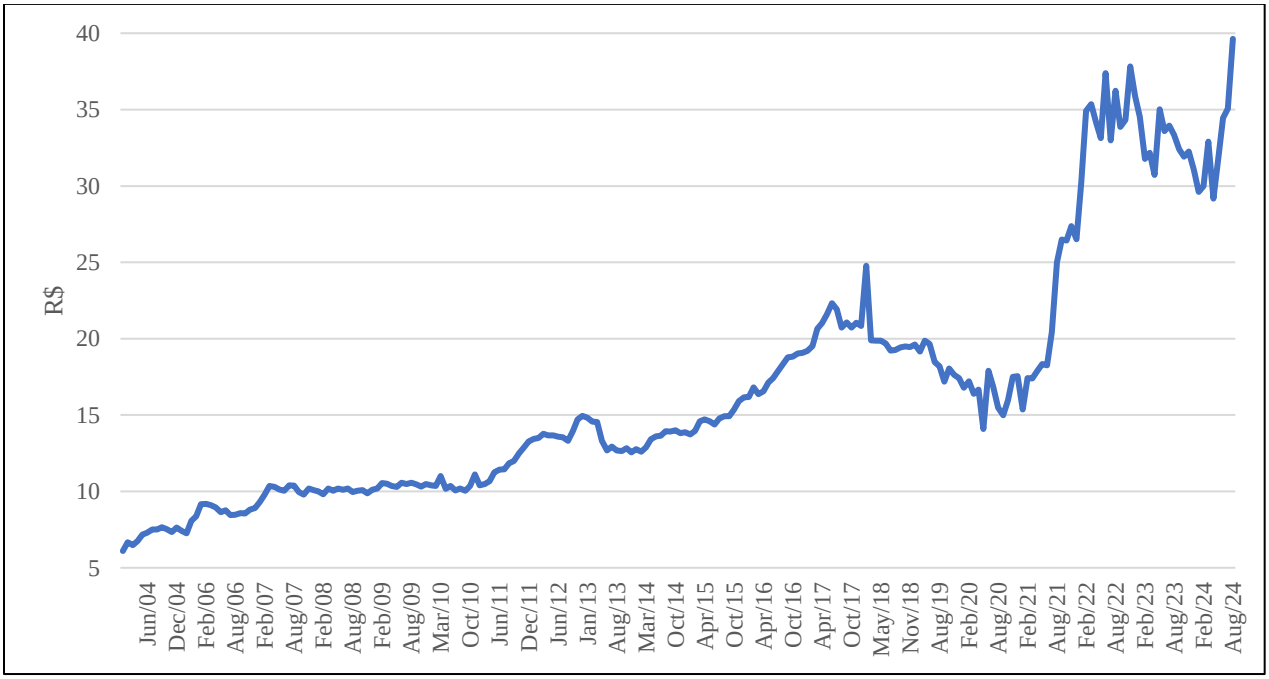
The significant increase in coffee prices has improved the purchasing power of coffee growers for fertilizers. In July, producers in Espírito Santo could buy one ton of urea by selling 2.05 bags of type 6 robusta coffee, whereas, in the same month the previous year, they needed to sell 4.45 bags. For arabica coffee in Minas Gerais, 2.1 bags of type 6 robusta coffee were required to purchase one ton of urea, a decrease compared to the three bags needed during the same period in 2023.

Coffee Consumption

Post maintained its forecast for Brazil's total domestic coffee consumption for MY 2024/25 (July-June) at 22.67 million coffee bags (21.7 million bags of roast/ground and 970,000 bags of soluble coffee). While coffee is the second most consumed drink in Brazil, behind water, high retail prices have kept consumption from growing exponentially.

Brazilian consumers are currently grappling with the effects of a prolonged drought and intense fires that impacted the country in mid-2024. According to inflation data released by IBGE, the prices for essential foods in the Brazilian diet, such as fruits, meats, and ground coffee, have been rising steadily since September. The price of ground coffee, which has been increasing since January, rose another 4 percent in September 2024, compared to the previous month and 4.58 percent in October. In August, the average retail price per kilo of roasted and ground coffee reached R$ 39.63, the highest level recorded in the history of the Brazilian Coffee Industry Association (ABIC), which has been tracking prices since 1997. For comparison, the cost of coffee in January 2024 was R$ 29.62, which is nearly 34 percent lower.

Figure 4
Average Price of Roasted and Ground Coffee in Brazilian Retail (R$/kg)



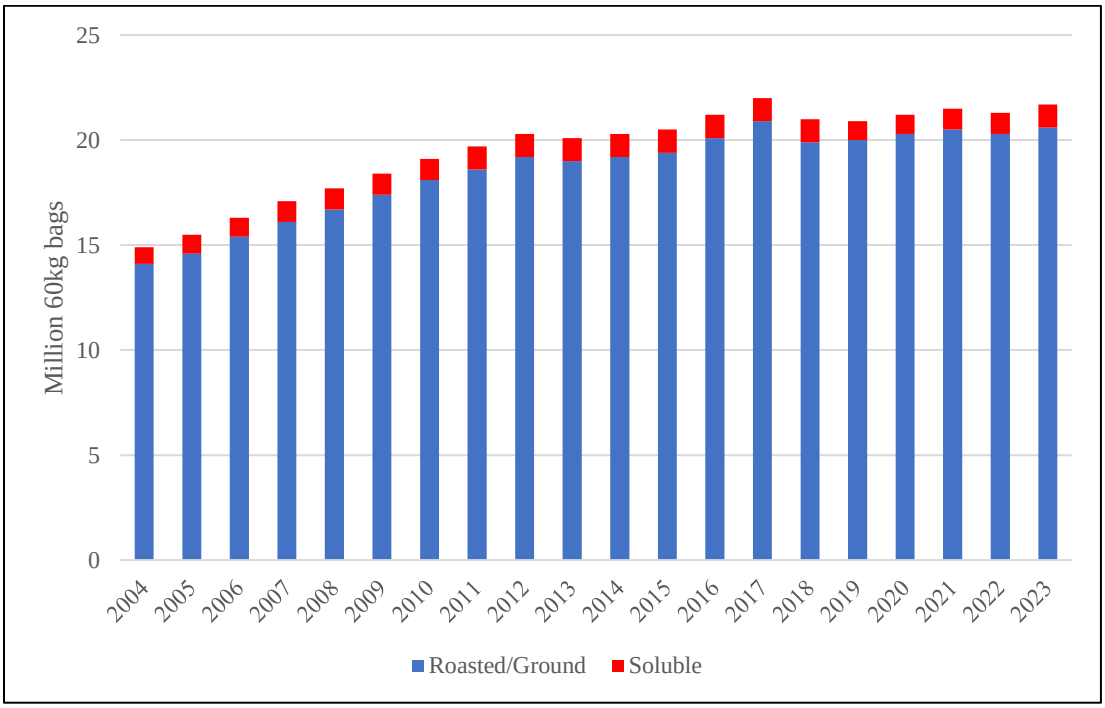
***Data Source**: Brazilian Coffee Industry Association (ABIC); Graph Post Brasilia*

ABIC estimates that domestic coffee consumption in Brazil reached approximately 5 million 60 kg bags from January to April 2024. According to ABIC, a total of 21.7 million bags of coffee were consumed between November 2022 and October 2023, marking a 2 percent increase compared to the previous period.

Per capita consumption figures for 2023show that each person consumed an average of 6.4 kg of green coffee beans and 5.12 kg of roasted coffee per year. This reflects a little over a 7 percent increase from the previous cycle, where the figures were 5.96 kg for green coffee and 4.77 kg for roasted coffee per year per inhabitant.

Additionally, from January to the end of June 2024, Brazil consumed the equivalent of 525,797 bags of soluble coffee, an increase of 1.2 percent compared to the first half of 2023. The Brazilian Soluble Coffee Industry Association (ABICS) attributes this growth to a nearly 96 percent increase in the consumption of freeze-dried coffee, which helped to offset a 4.4 percent decrease in spray-dried coffee. Notably, spray-dried coffee accounts for most of the soluble coffee consumed in Brazil, making up 88 percent of the total.

Figure 5
Domestic Consumption of Roast/Ground and Soluble Coffee in Brazil



***Data Source**: Brazilian Coffee Industry Association (ABIC); Note: Estimates refer to the November-October period. As of 2018, roast/ground consumption figures exclude consumption from on-farm consumption, coffee shops, and other informal sources; Graph Post Brasilia*

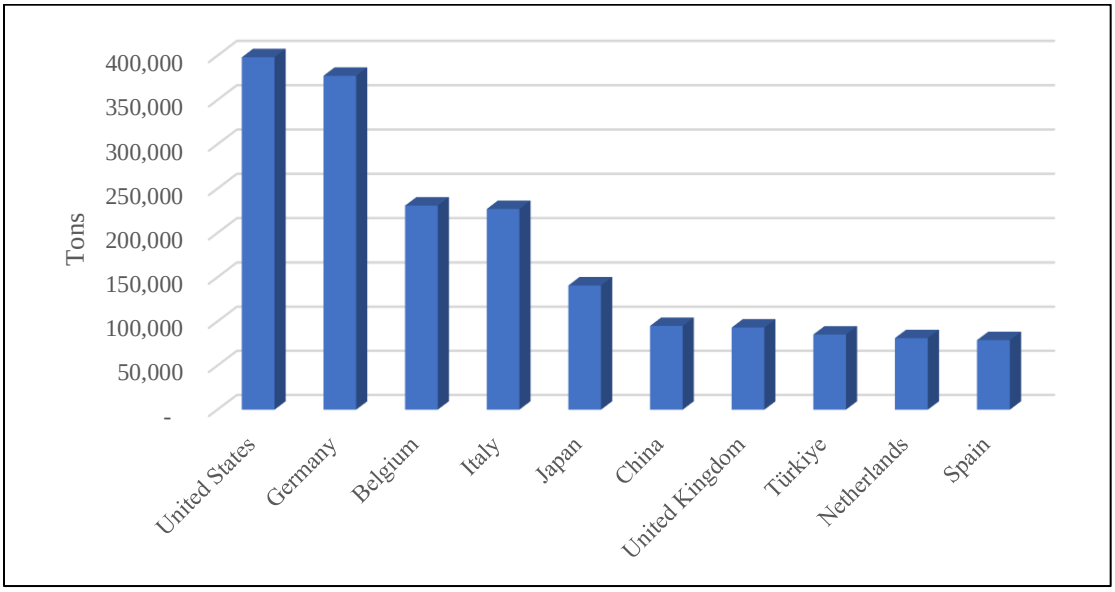
Coffee Trade

Exports

For MY 2024/25 (July-June), Post decreased its forecast for total coffee exports to 44.25 million 60 kg bags, down 5.3 percent from MY 2023/24 exports. This decline is attributed to expectations of recovering exports from key producers like Vietnam and Indonesia, who are regaining international market share as their crops become available. The 2023/24 exports are estimated at 46.7 million 60 kg bags, a 6.6 percent increase from the previous projection. This revision is primarily due to Brazil's significant role in supplying green beans to offset the shortfall from other producing countries that have been struggling with poor crop yields.

As coffee prices continue to rise, Brazilian exports have reached new records. In September 2024, 4.5 million 60 kg bags of coffee were sold, marking a 33 percent increase from the 3.3 million bags exported in 2023. Among the 113 countries that imported Brazilian coffee, the United States remains the leading buyer, followed by Germany, Belgium, Italy, and Japan.

Figure 6
Main Destination of Brazilian Coffee (Green Bean), MY 2023/24 (July-June)



***Data Source**: Trade Data Monitor LLC; Graph Post Brasilia*

Venezuela has become the leading importer of Brazilian roasted coffee for MY 2023/24 (July-June), surpassing the United States. This shift occurred as Venezuela imported significant quantities in October 2023, marking a change in purchasing patterns not seen since MY 2020/21. The increase in imports by Venezuela is mainly due to a shortage of Venezuelan coffee production and greater limitation of farmers' ability to harvest. Other major destinations for Brazilian roasted coffee include Chile, Mexico, and Argentina.

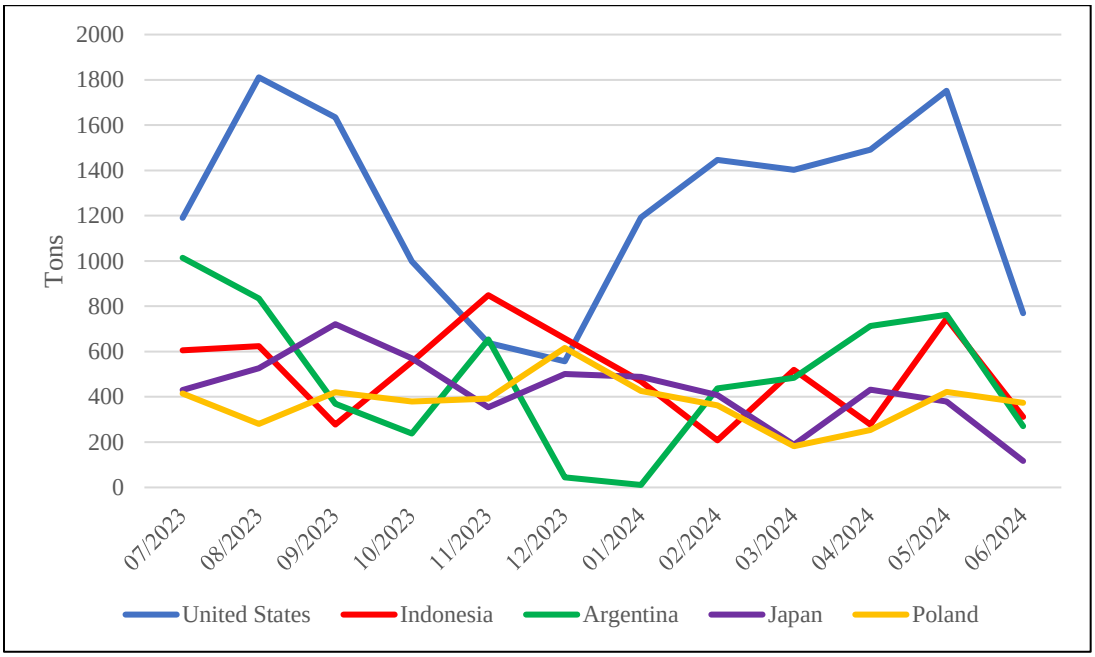
Between January and September 2024, Brazil exported approximately 36.4 million 60kg bags of coffee, a 39 percent increase compared to the same period in 2023, according to data from the Brazilian Coffee Exporters Council (CECAFE). The accumulated exported volume represents a record for the period. In September of 2024, the country exported 4.46 million 60 kg bags, generating a revenue of US$ 1.19 billion, also a record for the month and 84.5 percent higher than the same period in 2023. Revenue from coffee exports in this timeframe was approximately US$ 8.45 billion, which corresponds to an increase of 51.9 percent compared to the total from January to September of 2023.
During this same period in 2024, Brazil exported 26.4 million bags of arabica coffee, accounting for 72.5 percent of total exports. This represents a 26.6 percent increase in arabica shipments compared to the previous year. In addition, robusta/conilon exports reached a record 7.04 million bags, indicating a remarkable growth of 170.4 percent compared to 2023.

According to data from CECAFE, Brazilian coffee exports reached a historic volume of 47.3 million 60 kg bags in the 2023/24 crop year (July-June), which is a 32.7 percent increase from the 35.6 million bags exported during the previous crop year, from July 2022 to June 2023.
In the first half of 2024, Brazil's soluble coffee exports reached 1.91 million 60 kg bags, marking a 3 percent increase compared to the same period in 2023. Spray-dried soluble coffee constituted 71 percent of these exports, while freeze-dried coffee made up 23.4 percent. Prepared coffee represented 4.1 percent, and coffee extracts accounted for 1.3 percent. The total volume of soluble coffee exported generated revenues of $402.94 million, reflecting nearly 14 percent growth over the figures from the first half of 2023. This data is provided by ABICS.

The United States continues to be the primary destination for Brazilian soluble coffee, although there was a 20 percent decrease in imports from Brazil. The United States has been increasing its imports of soluble coffee from Mexico. In total, the United States imported 336,640 bags of Brazilian soluble coffee, which accounts for 17.5 percent of Brazil's total soluble coffee exports. Additionally, Indonesia, another country that produces and exports soluble coffee, imported 119,470 bags, representing 6.2 percent of the total.

Russia, which has been a traditional importer of Brazilian soluble coffee for decades, is returning to prominence after dropping to 19th position in 2023. In the first half of this year, imports of Brazilian soluble coffee surged by an impressive 158 percent.

Figure 7
Main Destination for Brazilian Soluble Coffee, MY 2023/24 (July-June)



***Data Source**: Trade Data Monitor LLC (Soluble Coffee HS Code 210111 and 210112); Graph Post Brasilia*

CECAFE estimates that Brazilian coffee exports to China are projected to grow by 65 percent in 2024, reaching approximately US$525 million. In 2023, China imported US$280 million worth of coffee from Brazil, a significant increase from US$80 million in 2022, according to the Brazilian Trade and Investment Promotion Agency (ApexBrasil). Brazil is the largest exporter of coffee to China, accounting for around 44 percent of the country's coffee imports by volume last year.

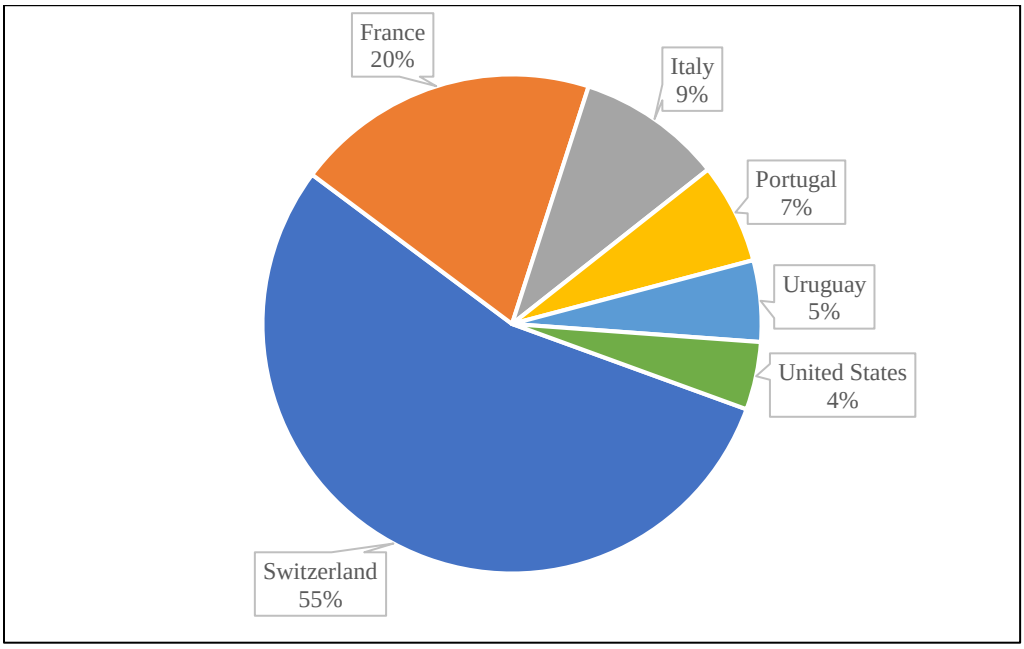
This remarkable growth can be attributed to an increase in coffee consumption in Chinese markets, a wider variety of coffee flavors, and stronger commitments to economic, social, and environmental sustainability in the sourcing of Brazilian coffee beans.

Brazil's coffee exports to China are expected to continue their upward trend. In June 2024, China's largest coffee chain signed an agreement worth approximately US$500 million with ApexBrasil, committing to purchase 120,000 tons of coffee from Brazil over the next two years.

Imports

For MY 2023/24 (July-June), Switzerland remains accountable for half of the imports of roasted coffee from Brazil, followed by France (18%) and Italy (9%). The top importers of Brazilian coffee in MY 2023/24, including roasted and non-roasted, were Switzerland (32%), Mexico (20%), Vietnam (14%), France (12%), and Italy (6%).

Figure 8
Main Imports of Brazilian Roasted Coffee by Country of Origin in MY 2023/24 (July-June)



***Data Source**: Trade Data Monitor LLC (Roasted Coffee HS Code 090121 and 090122); Graph Post Brasilia*

According to Post contacts, Vietnam has increased its purchases of Brazilian coffee to meet demands due to climate-related issues that affected domestic production and logistical challenges to export to Europe. From January to September of this year, Vietnam imported 637,000 60 kg bags of coffee from Brazil, which represents an increase of 374.8 percent compared to the same period last year. Of these imports, 485,000 bags were of the robusta variety.

However, Brazilian coffee exports continue to face significant logistical challenges, particularly at the country's ports. Two ports dominate coffee export activity, accounting for more than 90 percent of shipments: the Port of Santos in São Paulo, which handles approximately 65 percent of exports, and the Port of Rio de Janeiro, with 25 percent. A study commissioned by CECAFE shows that in June 2024, 62 percent of coffee shipments at Brazil's main ports were delayed. As a result, Brazil was unable to export 1.23 million bags of coffee (equivalent to 3,734 containers) in June alone, due to ship delays, changes in schedules, cargo rollovers, and lack of space at port terminals.

At the Port of Santos, 82 percent of shipments were delayed or rescheduled that month. In May 2024, 54 percent of ships intended for coffee exports experienced delays or had their schedules altered at Brazil's main ports. The financial losses of such infrastructural difficulties are highly felt by the industry.

Coffee Stocks

Post estimates total ending stocks in MY 2024/25 at 1.24 million bags, a 26.4 percent decrease compared to MY 2023/24. The decline is primarily due to the increase in coffee exports during the season.

Coffee Policy

In May 2024, the Coffee Policy Deliberative Council (CDPC) approved the distribution of the Coffee Economy Defense Fund (FUNCAFE) for the 2024/25 harvest. The coffee sector is the only Brazilian agribusiness sector that has its own fund, comprised of resources originating from the producers. The purpose of the fund is to:

1. Develop the coffee production chain in Brazil through financing and incentives for the modernization of coffee farming, aiming for higher productivity and quality. It also supports coffee research for the development of plants resistant to pests, diseases, and adverse climatic conditions, seeking to produce with lower costs and more technology to be more competitive in the market.
2. Support industry and exports, with the goal of increasing consumption and seeking new markets, securing buyers for coffee produced on rural properties.
3. Promote the orderly administration? of supply, including financing of storage to prevent coffee growers and their cooperatives from having to sell coffee during periods when prices are at their lowest.

Table 3
Coffee Economy Defense Fund (FUNCAFE) 2024/25

	2020/21	2022/23	2023/24	2024/25
Crop Management	R$ 1.6 billion	R$ 1.57 billion	R$ 1.62 billion	R$ 1.73 billion
Marketing Financing	R$ 2.21 billion	R$ 2.17 billion	R$ 2.35 billion	R$ 2.49 billion
Financing for the Acquisition of Coffee (FAC)	R$ 1.11 billion	R$ 1.38 billion	R$ 1.48 billion	R$ 1.61 billion
Recovery of Damaged Coffee Plantations	R$ 1.61 million	R$ 160 million	R$ 30.0 million	R$ 30.0 million
Working Capital (industry and cooperatives)	R$ 6.31 million	R$ 775 million	R$ 883.75 million	R$ 1.01 billion
TOTAL	**R$ 5.71 billion**	**R$ 6.06 billion**	**R$ 6.37 billion**	**R$ 6.88 billion**

***Data Source**: Coffee Policy Deliberative Council (CDPC); Table Post Brasilia*

The Brazilian government, through CONAB, sets policies and programs to guarantee that producers are paid the minimum prices for coffee in case market prices are below the minimum guaranteed price. Measures include purchasing coffee directly from producers (Federal Government Acquisitions) or paying a premium to buyers to move the product from growers to the destination (Product Flow Premium Program), among others.

For arabica coffee, the minimum price for the 2024/25 harvest was set at R$637.91 per 60-kilo bag, a reduction of nearly 7 percent compared to the previous season. For robusta, the price was set at R$423.08 per 60-kilo bag, a drop of 8 percent. CONAB attributes the decrease to the reduction in production costs, especially due to the lower expenses for purchasing fertilizers. The new minimum prices for coffee are effective starting in April 2024 until March 2025.

Table 4
Coffee Minimum Guaranteed Prices (R$/60kg bag)

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25*
Arabica type 6	341.21	362.53	364.09	369.40	606.66	684.16	637.91
Robusta/Conilon type 7	202.19	210.13	242.31 (Brazil) 210.13 (Rondônia)	263.93	434.82	460.02	423.08

**2024/25 Prices valid from April 1, 2024 to April 31, 2025*
***Data Source**: National Supply Company (CONAB); Table Post Brasilia*

Attachments:

No Attachments